

Peacekeepers will be neutral — Demirel

ANKARA (AFP) — Turkish President Suleyman Demirel on Friday defended a U.N. decision to allow peacekeepers from mainly Muslim Turkey into Bosnia-Herzegovina, saying his troops were not going to fight against the Serbs. Athens, Turkey's regional rival which (see page 2). But Mr. Demirel, who spoke Friday in Bucharest where he and his foreign minister, Hikmet Cetin, were winding up an official visit, said he did "not understand the opposition" of Greece to a decision that was up to the United Nations. Turkey "is not going into Bosnia to pick a fight but to fulfill its duty towards restoring peace in the region," he told a press conference in the Romanian capital. The Turkish press hailed the Security Council decision as a diplomatic success over Greece. Ankara was only "striving for stability in the peninsula" through a "viable balance of power," according to the English-language Turkish Probe. The Probe blasted Greece, a traditional Serb ally, as "diametrically opposed to this as evidence in its attempts to tip the balance of power in its own favour through a Russian-backed Greco-Serb alliance."

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Talal Al Hassan meets Musa

CAIRO (Petra) — Minister of State for Foreign Affairs, Talal Al Hassan, received at his residence in Cairo the Egyptian Foreign Minister Amr Musa with whom he discussed bilateral relations and means to further promote them and the coming meeting of the Joint Higher Jordanian-Egyptian Committee. They also discussed the latest development regarding the peace process, Arab and regional affairs and the agenda of Arab League council's meeting to be held on Saturday.

Qadhafi meets Palestinian dissidents

TRIPOLI (AFP) — Libyan leader Muammar Qadhafi discussed Friday the situation in the occupied territories with representatives of 10 Palestinian groups opposed to the Israel-Palestine Liberation Organisation (PLO) autonomy accord. A statement issued by the Damascus-based opposition said the meeting here also dealt with other Arab and international issues. The groups called on Arabs to break the international embargo against Libya and said the PLO-Israel peace talks launched at the 1991 Madrid conference were a "capitulation."

Yemeni Jews surrender to police

YEHUD, Israel (AFP) — Dozens of armed Yemeni Jews surrendered Friday after Israeli police surrounded the isolated house near Tel Aviv where they had barricaded themselves, in police said. The siege, which began in Yehud on Thursday, ended when the authorities agreed to set up a parliamentary commission of inquiry into the fate of around 1,000 Yemeni Jewish children who disappeared when their parents emigrated to Israel in the early 1950s. The Yemeni Jews, followers of Rabbi Uzi Meshulam Azulay who heads the "mishkenot ohalim" sect, came out with their weapons. Police noted their identities, but made no arrests. Rabbi Meshulam has called on his followers in Yehud village to "kill or be killed."

Kordofan relieves food shortages

KHARTOUM (R) — Food shortages have been overcome in Sudan's northern Kordofan state and people are no longer fleeing the area, a state newspaper reported on Friday. Government-owned Al Nasr quoted the western state's finance minister, Babakier Mohammad Al Tom, as saying the government had resolved the problem by buying 200 million Sudanese pounds (\$300,000) worth of sorghum from eastern Sudan. He said there was no hunger and mass movement of people. Last year the former commissioner of Sodari province in northern Kordofan said drought and food shortages were forcing people to flee to the capital Khartoum.

Iran investigates plane crash

NICOSIA (R) — A team of Iranian experts sent to the disputed Azeri enclave of Nagorno-Karabakh has begun investigating the cause of an Iranian plane crash that killed 32 people there last week. Iran's IRNA news agency said Friday. It did not say when the team, which includes air force and Foreign Ministry experts, was expected to report its findings. A military transport C-130 Hercules, flying from Moscow to Tehran, crashed near Karabakh's capital Stepanakert on March 17, killing all 32 people on board. They included relatives of Iranian diplomats based in Moscow.

Kuwaiti group buys share in Lebanon bank

BEIRUT (R) — A Kuwaiti-Lebanese group of businessmen bought the small north Lebanon-based Trade Bank and decided to raise its \$3.5 million capital by \$8 million, the bank's new chairman said.

Israel sees self-rule talks Tuesday; PLO says no decision yet

Combined agency dispatches

ISRAELI officials said Friday peace talks between Israel and the Palestine Liberation Organisation (PLO) were likely to resume in Cairo on Tuesday but PLO officials said no agreement was reached to resume the talks.

A senior Israeli official who spoke on condition of anonymity said: "It is likely that the talks on Gaza-Jericho will be resumed on Tuesday... there is no agreement on the resumption of the talks but as a result of the Cairo meetings it is likely."

Negotiations on self-rule in Gaza and Jericho, the first phase of a September Israel-PLO peace deal, were nearing completion when settler Baruch Goldstein shot dead dozens of Palestinians in Hebron in the West Bank exactly four weeks ago.

The PLO suspended the talks after the killings. PLO and Israeli negotiators ended a round of talks aimed at reviving the Gaza-Jericho negotiations in Cairo early on Friday. Those talks focus on setting security arrangements in Hebron.

The PLO's head delegate, Nabil Shaath, said more work was needed. He said if contacts between the sides produced agreement on Hebron by Tuesday, negotiators would automatically tackle implementing Gaza-Jericho self-rule.

"I think that the good news

is that the Palestinians agreed to resume the Gaza-Jericho talks on Tuesday with no conditions but they will start the negotiations after they will accomplish the arrangement in Hebron," Israeli Prime Minister Yitzhak Rabin's spokesman told Reuters.

There is no guarantee the sides will reach agreement on additional protection for Palestinians in Hebron.

"I would say we have made significant progress but there are several questions that could not be settled," Dr. Shaath told reporters in Cairo.

In Tunis, a close aide to PLO Chairman Yasser Arafat said the PLO has not yet decided whether to resume the negotiations with Israel.

Marwan Kanafani said PLO-Israel discussions set to resume in Cairo next week "do not constitute a resumption of the negotiations."

Mr. Kanafani said the PLO was continuing its contacts with all concerned parties, including the United States, Russia and Norway, to obtain answers to demands made by the PLO in the wake of the Hebron massacre.

A resumption of the autonomy talks "depends on positive and practical answers which the Israelis must provide," U.N. Security Council Resolution 904, which allowed for protection of Palestinians in the occupied territories.

Israeli officials, declining to be named, said negotiators General Amnon Shahak and Uri Savir had reported to Mr. Rabin on "the progress made in the Egyptian capital."

"We will go back to Cairo on Tuesday and this time we will be able to conclude," Gen. Shahak, the deputy chief-of-staff, said on his return after two days of talks on boosting security for the Palestinians of Hebron.

Israeli Foreign Minister Shimon Peres told Israel Radio the Cairo talks had yet to reach agreement on security arrangements for Hebron but added: "It is not over yet. There has been important progress."

Mr. Peres said gaps still remained regarding the number of Palestinian police to be stationed in Hebron and who would have ultimate authority over them.

But he added the fact the sides were meeting — even if still debating how to resume the Gaza-Jericho negotiations — meant the peace process was salvaged from the Hebron slaughter.

"In essence the fact the talks are back on track and we can make progress is the important thing," Mr. Peres said.

Israel's Haaretz newspaper said Mr. Rabin on Thursday approved a proposal by the Israeli negotiators to the Palestinians on international observers and a Palestinian police force.

PLO wants large observer unit in Hebron including Egyptians

By Lami K. Andoni

ISRAEL HAS agreed to the deployment of a lightly armed 50-man Norwegian observer unit and an equal number of a Palestinian police force in the city of Hebron but the Palestine Liberation Organisation (PLO) is seeking to expand the unit to two multi-national battalions including senior Egyptian officers.

Israel will respond to the Palestinian proposals when the talks, which were adjourned in Cairo yesterday, resume after the two delegations deliberate with their two respective leaderships.

The PLO is also awaiting a response to the deployment of a 8,000-9,000 Palestinian police force in Jericho and the Gaza Strip.

PLO officials in Tunis expected the Palestinian force to cross from Jordan and Egypt by April 13, the agreed

upon date for Israeli withdrawal from the Gaza Strip and Jericho.

Israel has suggested speeding up the withdrawal in return for resumption of Palestinian-Israeli negotiations, but the PLO wanted to get security guarantees that will end the curfew in Hebron before going back to the negotiating table.

"The way things are moving the actual beginning of the implementation will be delayed for two or three weeks, but we cannot resume negotiations without seeing real change in the situation on the ground especially in Hebron," a PLO official said.

According to Tunis-based PLO officials, Israel has not officially conceded to demands to evict 450 Israeli settlers from the centre of Hebron.

"The Israelis could not give a word or any promises regarding the settlers," said

one PLO official.

The Israelis have implied, however, that the government was considering specific measures. PLO officials said that the Israeli negotiators refused to elaborate.

Israel, the officials said, will be studying a suggestion, initially put forward by Norway, that it take unilateral measures without prior public announcements, but the PLO prefers that a third party, most probably Norway, will act as a guarantor to ensure follow-up of whatever process the Israeli government decides to start regarding the settlers.

Meanwhile, PLO Chairman Yasser Arafat, who has personally insisted on the participation of senior Egyptian officers in the foreign observing force, is satisfied with Israel's acceptance of

(Continued on page 10)



Sultan Azlan Muhebbuddin Shah of Malaysia and his wife Friday visit Mount Nebo (Petra)

King 'satisfied' by results of visits to Oman, Qatar

By a Jordan Times Staff Reporter

AMMAN — His Majesty King Hussein is satisfied that his visits to Oman and Qatar last week were positive and would contribute to efforts to close Arab ranks and restore Arab solidarity, official sources said Friday.

The King's visit to Qatar was his first since relations between Jordan and Gulf states were strained in the wake of the Iraqi invasion of Kuwait in August 1990.

Oman has always maintained close relations with Jordan and differing approaches to resolving the crisis triggered by the Iraqi invasion of Kuwait did not seriously damage Amman-Muscat relations. The King visited Oman twice after the end of the Gulf war which ended the Iraqi occupation of Kuwait in February 1991.

The sources said the King, who returned home on Thursday, discussed the idea of con-

Qatari emir thanks King

KING HUSSEIN Friday received a cable from Sheikh Khalifa Bin Hamad Al Thani, the emir of Qatar, thanking him for the cable he sent after leaving Doha Thursday on the conclusion of a two-day visit to Qatar. "With appreciation I have received your cable while you were leaving Doha following the conclusion of your kind visit during which we were happy to meet you and exchange views with you on issues of concern to our countries and the Arab Nation," Sheikh Khalifa said in his cable. "As I express my gratitude for your true brotherly relations, I express towards you the same feelings, stressing our keenness to unify the ranks of our Arab Nation, to protect higher Arab interests and defend just Arab causes and achieve prosperity for its peoples," he said. Sheikh Khalifa wished King Hussein continued good health and happiness and the Jordanian people further progress and prosperity.

Evening an Arab summit during his talks with Sultan Qaboos of Oman in Salalah and with Sheikh Khalifa Bin Hamad Al Thani of Qatar in Doha, but no immediate progress was visible in convening such a conference soon.

However, "His Majesty King Hussein came back satisfied that his visits were positive" both in a bilateral context and on a pan-Arab level, said a senior official.

Jordan has always been interested in ensuring good relations among the Arab states, said another source. "As such, it is very much interested in seeing Arab heads of state meet and exchange views in a positive atmosphere."

(Continued on page 10)

Clinton stresses stand on Jerusalem unchanged

WASHINGTON (USIA) — President Bill Clinton has stressed that his position on the status of Jerusalem has not changed.

As he was leaving the White House around noon, Mr. Clinton was asked by a reporter about what he said about Jerusalem to the presidents of major American Jewish organisations that morning. He responded: "I told them what I've always told you in public. I'll tell you the exact words I used: I said, my position has not changed on that issue... So I have made it clear that the United States has not changed

its position." Jewish leaders told reporters that Mr. Clinton had described a "united Jerusalem" as Israel's capital. Asked about those reported remarks and about a 1992 campaign statement in which Mr. Clinton called Jerusalem "an undivided city" and "the eternal capital" of Israel, State Department spokesman Michael McCurry quoted from public remarks the president made at the conclusion of his meeting with Jewish leaders, asserting there has been no change in Mr. Clinton's position on the

(Continued on page 10)

More LF officials detained in sweep

BEIRUT (Agencies) — The government sought Friday to quell fears it planned to restrict political freedoms as troops made fresh arrests in a crackdown on right-wing Christians implicated in a church bombing.

Army soldiers, backed by armoured personnel carriers, searched motorists and checked identification documents in Christian neighbourhoods of Beirut and the hinterland to the northeast.

Commandos, armed with rocket-propelled grenade launchers and machine-guns, staged foot patrols and took up positions on corners of major street intersection and bridges.

The target of the army campaign is the Lebanese Forces (LF), which the government outlawed Wednesday after its implication in the Feb. 27 bombing of a Maronite Catholic Church that killed 10 worshippers and wounded 60.

The Lebanese Forces were the Christians' main militia in the 1975-90 civil war. The group voluntarily disbanded in 1991 as part of a government plan to demilitarise Beirut and its environs.

Fuad Malek, was arrested Wednesday on Thursday, troops picked up one of Mr. Malek's aides, Elie Abi and an aide to the Lebanese Forces spokesman, security officials said.

The government outlawed the Lebanese Forces Wednesday after examining Magistrate Joseph Freha issued warrants for the arrest of nine people suspected in the church bombing. He said they were members of the Lebanese forces.

Five are in custody and four on the run, two in Australia and one in Canada.

Party chief Samir Geagea, who denied his group's involvement in the church bombing, has been booted up for almost three weeks at his headquarters in the mountains northeast of Beirut.

Meanwhile, Lebanese politicians and media protested against a ban on private news broadcasts.

Former Prime Minister Selim Hoss demanded the government drop the media ban, which it says is temporary, to allow proper discussion by parliament of a promised new media law.

Norway expels Iranian diplomat

OSLO (R) — Norway said Friday it was expelling an Iranian diplomat in a move it said was unrelated to the shooting last year of the Norwegian publisher of Salman Rushdie's controversial book "The Satanic Verses." Consul Mohammad Movahed "is not wanted in Norway for activities incompatible with his diplomatic status," the foreign ministry said in a brief statement. It said the Iranian ambassador had been called to the ministry on Friday and told Mr. Movahed had 10 days to leave. The ministry gave no reasons for the expulsion but said it was not tied to the attempted killing last October of William Nygaard, the Norwegian publisher of Mr. Rushdie's novel. A gunman shot and seriously wounded Mr. Nygaard, 50, head of Norwegian publishers Aschehoug, three times from behind outside his home in a leafy Oslo suburb last October. Mr. Nygaard has said he is convinced Iran was behind the attack. But Norwegian police have no firm leads and the Iranian embassy has repeatedly denied any involvement. "We see this expulsion as an isolated case," foreign ministry spokesman Invar Havn said.

Malaysian sultan visits touristic sites

AMMAN (Petra) — Sultan Azlan Muhebbuddin Shah of Malaysia and his wife spent Friday touring touristic sites around the Kingdom.

The sultan and his wife, who arrived in Amman Thursday, visited the Roman amphitheatre in downtown Amman, Jerash in the north and Mount Nebo near Madaba.

They were briefed by Director General of the Antiquities Department Safwan Al Tell on the importance of these sites as well as their historical significance.

The sultan and his wife, who are accompanied on the visit by several members of the Malaysian royal family, were received upon arrival Thursday by His Majesty King Hussein.

Also present at the airport to receive the guests were His Royal Highness Prince Mohammad, Her Royal Highness Princess Taghreed, several royal family members, Prime Minister Abdul Salam Majali, Royal Court Chief Sharif Zeid Ben Shaker and senior officials.

King Hussein Thursday evening hosted a dinner in honour of the Malaysian leader and his wife and the accompanying delegation.

The banquet was attended by Prince Mohammad, Princess Taghreed, royal family members, Sharif Zeid and his wife as well as members of the visiting delegation.

At the banquet King Hussein conferred upon Sultan Azlan the Al Hussein Bin Abdul Meda, the highest Jordanian medal, and conferred upon the sultan's wife the Al Husayn Medal of the First Order.

Sultan Shah is scheduled to hold talks with King Hussein on bilateral relations, means of enhancing them and issues of common interest.

Woman, child killed in Israeli shelling

SIDON, Lebanon (Agencies) — Israeli forces opened up with artillery on South Lebanon on Friday killing a woman and her young daughter after guerrillas killed three of their militia allies, security sources said.

They said the woman and girl were killed when artillery shells slammed into the village of J'baa in Iqlim Al Toufah ridge, a bastion of resistance fighters north of Israel's South Lebanon occupation zone.

Israeli and allied gunners unleashed a heavy bombardment on the strategic ridge after guerrillas killed three Israeli-backed South Lebanon Army (SLA) militiamen and captured two in attacks on their positions in South Lebanon, the security sources said.

The guerrillas attacked two SLA posts near the southern town of Jezzine and took at least one of them.

Hizbollah (Party of God) said its forces attacked seven SLA posts at dawn and took

two of them, destroying three SLA tanks.

Hizbollah said it captured SLA posts at the villages of Saidon and Dair Shkadeh near the town of Jezzine. 25 kilometres east of the southern port of Sidon.

Jezzine stands in a finger of territory controlled by Israel and its ally that juts north from the border zone.

The sources said the guerrillas responded to the Israeli shelling by rocketing the town of Marjayoun, where the SLA has its headquarters, and the village of Aishish near Jezzine.

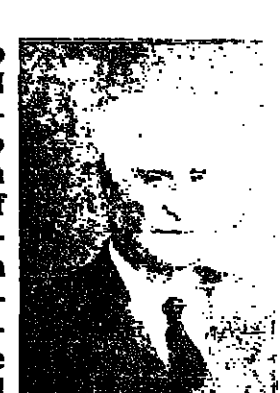
Under a U.S.-brokered deal that ended a week long Israeli blitz on south Lebanon last July, Hizbollah agreed to halt Katyusha rocket attacks into northern Israel in return for the Jewish state agreeing not to target civilians in South Lebanon.

Two schoolchildren and a man were killed in the south on Monday.

Arab Bank presents budget, final account

AMMAN — The Arab Bank Shareholders general assembly held its 64th meeting Friday at the Arab Bank Building in Amman under the chairmanship of Board of Director Chairman Abdul Majeed Shoman and in the presence of representatives of the comptroller of companies at the Ministry of Industry and Trade and a group of the Arab Bank shareholders in various Arab countries.

The meeting discussed the general budget, the final account, the board of director's report published inside.



Abdul Majeed Shoman

Arab World's 'position' in world strategies to be analysed in 3-day regional conference

AMMAN (J.T.) — About 30 Arab political scientists and historians with expertise in strategic studies today will gather in Amman to participate in the "Third Arab Strategic Conference" which aims at analysing the Arab World's "position" in world strategies.

Organised jointly by its regular sponsors, the Centre for Strategic Studies (CSS) at the University of Jordan and the Centre for Political and Strategic Studies of Al Ahrar (Arabic daily) in Cairo, and for the first time this year with the Arab Political Science Association, speakers will address the changes in international political environment in the aftermath of the collapse of the Soviet Union and review the events of these past years and their implication on the Arab World.

The three-day conference to be held under the patronage of Prime Minister Abdul Salam Majali, will discuss the specificity of the U.S. strategy in the area as well as that of Europe (Britain, France, Germany and Russia), Japan and China.

Sources close to the organising committee said leading Arab political scientists have prepared papers which include topics such as political dimensions of the development of the new world order, U.S. strategies towards the Arab-Israeli peace negotiations and the regional transitions in the Arab area, and the future interest of the U.S. in the region.

Other papers will focus on the reflections of the European Union (EU) on the Arab World and British and French foreign policy in the Middle East. Subsequent sessions will deal with German and Russian foreign policy in the Arab region and Russian economic ties to the area.

Discussion on Asian foreign policy in the Middle East will concentrate on the Japanese and Chinese policies.

A session will be dedicated to the Arab World and the United Nations, particularly the Arab role in the development of the U.N. as well as the U.N. and the changing values of the world order.

The final session will be an open discussion at the above and the opportunities available to the Arab World's strategists and decision-makers.

Taking part in the conference are experts from universities and research institutions from Egypt, Syria, Palestine, Iraq, Lebanon and Libya as well as Jordan.

The conference is being held at the University of Jordan.

The CSS hosted the "First Arab Strategic Conference" in Amman in 1987. The second conference was held in Cairo in 1989.

JPMC completes expansion to produce more phosphoric acid

By a Jordan Times Staff Reporter

AMMAN — The Jordan Phosphate Mines Company (JPMC) has announced the satisfactory completion of expansion project at Aqaba to increase production of phosphoric acid. Samih Madani, director-general of the JPMC, said that the performance guarantee test of the \$34 million project was successfully completed more than two months after the expansion scheme went on stream.

"We now produce 1,300 tonnes of 100 per cent pure phosphoric acid per day compared with 850 to 900 tonnes prior to the completion of the expansion project," Mr. Madani told the Jordan Times Friday.

The project was undertaken by a French-Belgian consortium, Bourgeois-Coppée Lavalin, on a turnkey basis under a contract signed in July 1991. The consortium enlisted Jordanian contractors for all civil construction as well as mechanical and electrical installation

and instrumentation. Mr. Madani said the "rehabilitation" of the fertilizer plant was in line with the JPMC's new strategy of moving towards producing downstream fertilizers rather than simply supplying raw materials to foreign producers.

He said that with the increase in production of phosphoric acid, the company could now boost its output of ammonium phosphate from 600,000 tonnes per year to 750,000 tonnes per year, an increase of around \$27 million in annual value at international market prices.

According to Mr. Madani, other ongoing JPMC projects include addition of production facilities and expansion of existing plants with a view to enabling the company to meet the requirements of some of the joint projects that it has launched with foreign companies.

The joint ventures include a Jordanian-Japanese project to produce 300,000 tonnes every year of compound fertilizers for all civil construction as well as mechanical and electrical installation



Samih Madani

industrial base, create employment opportunities and increase foreign exchange earnings from exports.

"Equally important, we can also attract foreign investment to Jordan for downstream fertilizer industries," Mr. Madani said.

Phosphates and potash are Jordan's major exports. But overall profits of the JPMC and the Arab Potash company have declined in recent years as a result of an international depression in prices as well as additional costs incurred from the de facto blockade in the Red Sea imposed by the enforcers of the international sanctions against Iraq.

Despite the difficulties, Jordan edged out Morocco to assume the slot of the second largest exporter of phosphate after the United States in 1993. The Kingdom now accounts for 15 per cent of world exports of phosphates.

The JPMC is considering several other joint ventures with foreign participation, but negotiations have not reached advanced stages, officials said.

JD 1,077m in circulation, says CBJ

By a Jordan Times Staff Reporter

AMMAN — Jordanian currency in circulation stood at JD 1,077 million at the end of 1993, up from JD 1,023 million in 1992, recently released Central Bank of Jordan (CBJ) figures show.

The monthly December bulletin of the CBJ indicated that the bank released JD 55 million in banknotes and JD 500,000 in coins during the year.

According to the bulletin, the currency in circulation at the end of 1993 was made up of:

- JD 921.2 million in 20-dinar notes;
- JD 100.8 million in 10-dinar notes;
- JD 27.6 million in five-dinar notes;
- JD 14.5 million in one-dinar notes; and
- JD 4.4 million in half-dinar notes.

The rest — JD 9.3 million — was in coins, with JD 500,000 introduced during 1993, the bulletin showed.

At the end of 1989, Jordanian money in circulation stood at JD 887.5 million (JD 880.7 million in banknotes and JD 6.8 million in coins), in 1990 at JD 1,022.2 million (1,014.9 million in banknotes and JD 7.3 million in coins) and in 1991 at JD 1,017.6 million (JD 1,009.8 million in banknotes and JD 7.8 million in coins).

The decline in currency in circulation in 1991 was because of the withdrawal of nearly JD 36 million in 10-dinar notes, JD 6 million in five-dinar notes and JD 6 million in one-dinar notes. The CBJ introduced JD 36 million in 20-dinar notes during the year.

Another JD 10 million in 10-dinar notes and JD 500,000 in five-dinar notes were withdrawn in 1992, but JD 21 million in 20-dinar notes were introduced during the year.

In 1993, the Central Bank introduced JD 56 million in 20-dinar notes, JD 1.6 million in five-dinar notes, JD 500,000 in one-dinar notes and JD 300,000 in half-dinar notes and withdrew another JD 10 million in 10-dinar notes, the bulletin showed.

Twenty-dinar notes represented 80 per cent of the money in circulation in 1989, and grew steadily to 83.9 per cent in 1991, 84.8 per cent in 1992 and 86.2 per cent in 1993.

Ten-dinar notes, which represented 15.2 per cent of the money in circulation in 1989, declined to 9.4 per cent in 1993 and five-dinar notes dropped from 3.1 per cent in 1989 to 2.6 per cent in 1993; one-dinar notes grew from 1.3 per cent in 1989 to 1.4 per cent during this period.

Regional aerosol industries agree to facilitate safety, protection measures

By Rana Hussein

Special to the Jordan Times

AMMAN — The United Nations Environment Programme (UNEP) activity centre and its regional office for West Asia Thursday ended a regional training course on aerosol conversion by agreeing to facilitate safety and protection measures for producing substitutes to be used in the aerosol industries.

More than 60 delegates and experts from Arab and foreign countries who participated in the three-day meeting ended the training programme with a visit to the Household and Toiletries Manufacturing Company in Irbid, a Jordanian company which recently completed its conversion from producing aerosols with ozone-depleting substance (ODS) to utilising liquefied petroleum gas which is considered a safer product. Geno Nardini, a consultant with UNEP in Mexico,

said the visit to the company was very successful in terms of convincing all participants of the benefits of using an aerosol substitute in factories in their own countries.

"We will be working on all Jordanian factories to convert to this new propellant system and they will be getting assistance from the Multi-lateral Montreal Protocol to do so," Mr. Nardini told the Jordan Times.

He said this conversion will not affect the quality of the product; on the contrary, he said "it increases its competitiveness, modernises it and is beneficial to the industry and the environment."

According to Mr. Nardini, several factories in other countries in the region have started converting to environmentally safe propellants, some willingly, and some after being asked to do so. He cited Egypt,

Yemen, Morocco, Sudan, India and Tunisia as examples.

Ghazi Odat, assistant director of the Department of Environment's chief division of air pollution at the Ministry of Municipal and Rural Affairs and the Environment told the Jordan Times that all factories will be compensated for their conversion, including the Irbid company which has already adopted the changes, from a \$1.8 million fund allocated for Jordan by the Montreal Protocol.

The regional training course, which was held in cooperation with the Ministry of Municipal and Rural Affairs and the Environment, discussed the obstacles and advantages that aerosol manufacturing industries have found in converting to non-ODS technology and what such conversion entails.

The participants agreed to adopt safety and personal protection measures in handling hydrocarbon aerosol propellants (HAPs) which should be carefully considered and made available in proper quantities and qualities to aerosol industries that are converting.

They also agreed to facilitate obtaining financial support in the form of funds, loans, grants, and insurance for the conversion projects.

Implementation agencies were asked to provide countries under the Montreal Protocol with general guidance, above the technical specifications and standards required for implementing different projects.

They were also asked to provide a list of the inter-regional companies which are capable of supplying goods by the implementing agency, and to follow-up on the recommendations, and to evaluate what has been achieved.

Experts see crime on the increase, with national, international dimensions

By Rana Hussein

Special to the Jordan Times

AMMAN — The West Asia regional preparatory meeting in advance of the 1995 Ninth United Nations Congress on the Prevention of Crime and the Treatment of Offenders has recognised crime as an increasing problem with national and international dimensions, hampering political, economic, social and cultural development and threatening the peace and stability of the international community.

During the four-day meeting which concluded Thursday, representatives of Saudi Arabia, Egypt and Jordan stressed the importance of prisoner rehabilitation and the proper management of correctional services.

Delegates from Jordan also raised the problem of currency counterfeiting, saying that it is a dangerous crime that

threatens the economic, social and political security of a country because it leads to a loss of confidence in its currency.

The observer from the International Committee of the Red Cross (ICRC) raised the issue of human rights and law enforcement, saying that the two do not conflict with each other as some think. "It is a lawless police which arrests arbitrarily, beats, tortures and indiscriminately uses firearms, that will not be respected and does not serve respect."

The delegate from the Holy See addressed the issue of violence against women saying that "some of our laws and legislations tolerate violence against women and children for the sake of discipline."

"These principles need to be recognised, and law enforcement officials' handling of cases of violence against women should also be reviewed," she said.

But delegates from Saudi Arabia and Iraq agreed that violence against women was not a major problem in the region "since it is rejected by Islam and by the nature of family values in the Arab World."

"If we are talking about equality," said the Saudi delegate, "we should be discussing violence against human beings, as that includes both men and women."

The Australian delegate acknowledged the importance of addressing this issue, saying that it is better to talk about the problem in general rather than limiting it to violence against women. He stressed the benefit in identifying the particular vulnerabilities of particular groups, be they women, children, elderly or ethnic groups, because this bears on crime prevention techniques.

He also called for gun control, describing this region as a "tangible area" whereby each nation can reduce the impact of crime upon their communities.

He used last month's Hebron massacre as an example. "There is no justification for any individual to own an automatic or semi-automatic weapon," he said.

"Mass killings are only possible because high-risk weapons are allowed to circulate among citizens," he added.

A draft document presented at the end of the meeting stated that there is a rapid growth and danger of terrorism as a form of violent crime which threatens security, stability and the rule of law.

It called on the governments to unite their forces to combat the deleterious effects of transnational crime, particularly organised crime.

HOME NEWS IN BRIEF

King condoles Mexican president

AMMAN (Petra) — His Majesty King Hussein Friday sent a cable to Mexican President Carlos Salinas condoling him over the assassination Thursday of ruling party presidential candidate Luis Donaldo Colosio.

King congratulates Bangladesh

AMMAN (Petra) — His Majesty King Hussein Friday sent a cable to Bangladeshi President Abdur Rahman Biswas congratulating him on his country's national day and wishing him continued good health and happiness and the people of Bangladesh further progress and prosperity.

Jordan to turn clocks ahead on April 1

AMMAN (Petra) — Jordan will switch to summer time as of Friday morning April 1, according to a Cabinet decision. The clock should be set one hour ahead thus making the time difference between Jordan local time and Greenwich Mean-time three hours. The country will return to winter time as of Friday Sept. 16, according to the Cabinet decision.

Ministry submits draft insurance law to Cabinet

AMMAN (Petra) — The Ministry of Health has referred to the Cabinet a comprehensive health insurance draft law for approval. The draft law was prepared by an ad hoc committee which was chaired by Health Minister Abdul Rahim Malhas. The committee, which included representatives of the ministry, the Royal Medical Services and specialised firms, has been holding extensive meetings over the past six months to finalise the draft law.

PSD announces bridge closings

AMMAN (Petra) — King Hussein Bridge on the Jordan River will be closed to all traffic on Sunday March 27 and Thursday April 14 according to Public Security Department (PSD) sources. The bridge will open on Wednesday April 13 until 9.00 a.m., the sources said. On Fridays during April, bridge crossing will be allowed until 10.00 a.m., according to the PSD.

WHAT'S GOING ON

The following listings are compiled from monthly bulletins and the daily Arabic press. Readers are advised to verify the listed time and place with the concerned institutions.

EXHIBITIONS

- ★ Photo exhibition of the Hashemites and the heroic deeds of the Jordanian Armed Forces at the Jordan Zaitounah University.
- ★ Exhibition by Iraqi artists Husam Khader and Rahim Al Shaykhi at Alfa Art Gallery.
- ★ Jordanian-Iraqi contemporary exhibition by over 80 artists at Alfa Art Gallery in Wadi Saqra (9:30 a.m.-8:00 p.m.) (Tel. 644451).
- ★ Exhibition by Syrian artists Abdul Manan Shamma, Khalid Aknuz, and Mamdouh Kashlan at Ab'ad Art Gallery.
- ★ Exhibition of sculptures and drawings by Jordanian sculptor Samer Tabbaa. Also showing "permanent" exhibition of 34 Arab contemporary artists at Darat Al Foun of the Abdul Hameed Shoman Foundation in Jabal Luweibdeh (Tel. 643251/2).
- ★ Exhibition entitled "Writers Do Draw" by Jamal Najl, Ibrahim Nasrallah, and Farouq Wadi at the Royal Cultural Centre.
- ★ Plastic art exhibition by Syrian artists Abdul Qader Azzouz and Aoun Al Droubi at the Phoenix Gallery for Art and

- Culture (Tel. 695291).
- ★ Exhibition by Iraqi artist Turki Abdullah at the Balaadna Art Gallery.
- ★ Exhibition by artist Shawkat Al Rubai'y at the Orfall Art Gallery in Um Uthaina (Tel. 826932).
- ★ Book exhibition at the Safeway International.

MUSICAL RECITAL

- ★ Trio Scholl (flute, guitar and violin) will be presented at the Forte Grand Hotel at 8:00 p.m.

THE FIRST AMMAN THEATRE FESTIVAL

- ★ Drama entitled "A Very Symbolic Play" at the main theatre at the Royal Cultural Centre at 8:00 p.m.

LECTURE

- ★ Lecture entitled "Music and Drama" by Kifah Fakhour at the studio theatre at the Royal Cultural Centre at 6:00 p.m.

POETRY RECITAL

- ★ Poetry recital by poet Youssef Abdul Aziz at the Phoenix Gallery for Art and Culture at 7:00 p.m.

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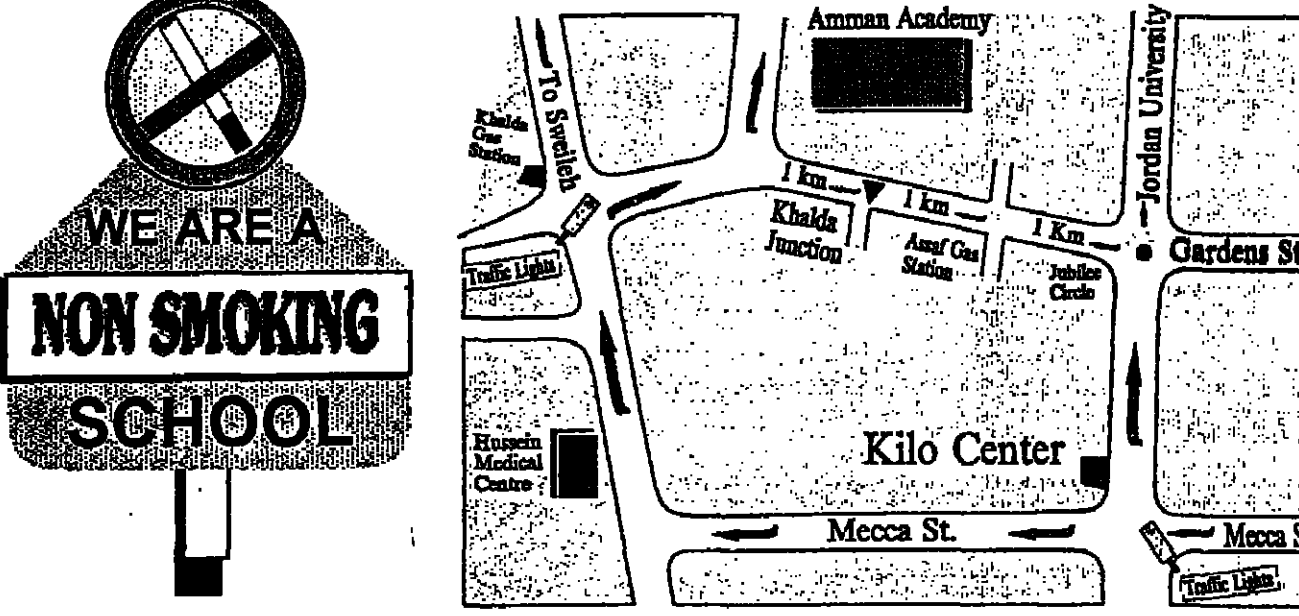
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Peace for the peninsula

THE CRISIS over the inspection of North Korea's nuclear programme has been escalating and might develop into a serious threat to the stability and security of the whole Korean peninsula. The U.S. government, propelled by the South Korean authorities and the American conservatives, appear determined to press North Korea to abandon its nuclear programme. The Clinton administration has already dispatched Patriot missiles to the South, presumably to deter any attack from the North, and it is pushing for a Security Council resolution that would force the North to open its nuclear facilities for the inspectors of the International Atomic Energy Agency (IAEA). Russia and China are both apprehensive. Russia, fearful of a repeat of the Iraq episode, is calling for an international conference; and China is fearful of a conflict next door that might engulf the whole region. The Korean conflict of course is as old as the U.N. itself. In 1952 the U.N. interfered, following a North Korean invasion, and the U.S. led a U.N. intervention force that restored the border between the North and South. Both North and South Korean authorities have in recent years started negotiations aimed at German-style reunification. But when the German experience proved to be painful to the wealthier West Germans, the wealthier South Koreans started to have second thoughts about the virtues of reunification.

The U.S. interest lies in maintaining the status quo. They have troops stationed there and they keep the southern army armed with the most sophisticated and expensive American equipment. But the North Koreans are making trouble for the Americans: They are selling arms to antagonists of the west, especially in the Middle East. That is why the Americans insist on managing the conflict almost solely on their own. They are not happy with the Russian proposal for an international conference and insist that the Security Council is "the best forum" for addressing the issue. They are also unhappy with the Chinese posture and are waving the stick of the status of the most favoured nation accorded to China, ostensibly over China's poor human rights record.

The Korean war in the 1950s was itself an epitome of the cold war and it was a bloody and costly one. The present conflict brings a sad past to the mind, though the circumstances are different. That is why we feel that the two Koreas have to be helped in coming together rather than spurred on to confrontation. An international effort, aimed first at reducing tension in the peninsula and then at reactivating stalled inter-Korean talks, is what should follow, whether through the Security Council or at a specially designed conference.

ARABIC PRESS COMMENTARIES

A COLUMNIST in Al Dustour daily appealed to the concerned authorities to open the way for investments in the country by upgrading laws and regulations and giving facilities to investors from Arab and foreign countries. Ahmad Shaker said the present rules make it difficult for an investor to embark on projects that would give jobs to the unemployed as the rules are rather complicated and not properly and efficiently handled by government employees. If we want to find jobs for the rising numbers of unemployed, he said, we can not do that by asking the government to make room for thousands of additional employees in its offices but rather through the help of the private sector in successful and advanced nations takes the lead in investment, in employment and in directing the country's economy. He said that while obstacles are being laid in the path of investors in Jordan, we find Jordanian businessmen investing up to \$7 billion in the free zone of Dubai, and while most countries that operate free trade zones open them for their own people, provided they pay the customs duty when taking the goods out, we prevent Jordanians from entering the free zones in Aqaba and Zarqa for a similar purpose. The writer said that the time has come for the government to take the necessary measures towards encouraging investment in deed rather than word.

KING HUSSEIN'S visit to the Gulf and his talks with its leaders offer a new ray of hope to the Arab masses to see their countries embarking on solidarity and common action to safeguard higher national interests, said Al Dustour daily. The paper said that the visit serves as a reminder that the Arabs are capable of mending fences despite their past differences and can collectively work-towards protecting their nation's interest. King Hussein's visit to the Gulf is not a mere reassertion of the good and brotherly relations between Jordan and other Arab states, but rather a new endeavour on the part of Jordan to reactivate inter-Arab action and to rally Arab ranks in the face of the common challenges, said the paper. Coming in the wake of an era of estrangement in the Arab World, after the Gulf war, the King's visit is viewed as one that reflects a determination by Arab leaders to transcend the past differences and open a new chapter of close and fruitful relations, added the paper. It said that the visit was a genuine effort on the part of Jordan to respond favourably to wise calls coming out from Qatar and Oman for reconciliation among the Arab leaders and for solidarity in the face of the common dangers.

Jordanian Perspective

DIRE STRAITS

When the U.N. Security Council convened at short notice and issued a series of resolutions after the Iraqi invasion of Kuwait in August 1990, Jordan did not anticipate that the world body would eventually turn around to target it. Well, that is the net effect of the international sanctions that the Security Council imposed against Iraq.

Today, a Jordanian importer pays an average of \$15 per tonne extra for incoming cargo, regardless of whether it is for the local market or for export, to offset what shipowners describe as the cost of the delays caused by the interceptions of vessels entering the Gulf of Aqaba.

Jordan, which enjoyed a relatively comfortable competitive edge in the international phosphate and potash market, particularly among importers in the Far East, because of low freight costs from Aqaba, is losing that advantage. The decline in the profits of the national companies exporting phosphates and potash reflects the extra burden they have to shoulder to ensure that their prices remain attractive to the buyers despite the extra freight charges posed by the interception.

This did not start last month or the month before that. It started right from the imposition of the sanctions against Iraq and the stationing of an international naval force in the Red Sea. Jordan has been repeatedly complaining about its losses to the international community and the U.S., but other than prompt promises that the complaints would be looked into nothing has been done on the ground (on the high seas to be more precise) to change the situation.

The ready-made answer American officials have been offering Jordan every time the issue is raised is that the enforcement of the sanctions is a United Nations affair and Washington could only make recommendations to the world body. Well, that is a whole lot of baloney, and another instance where Washington embraces the U.N. when it suits its purposes while continuing to impose the American will on the world in its own way.

We cannot but deduce from our experience over the last two years of knocking every door to alleviate the negative impact of the overzealous enforcement of the sanctions by the American-led warships patrolling the Red Sea that Washington strategists are using the cover of the embargo against Iraq as a pressure point against Jordan.

It defies us to fathom why the pressure. Jordan has been, and will remain to be at the forefront of countries adhering to all resolutions and decisions of the international community. There is no blemish on the Kingdom's record in this respect.

Jordan has had enough of Aqaba sanctions

There may have been a few cases of smuggling across the border to Iraq in violation of the sanctions, but then no country in the world has foolproof borders. In any case, the sanction-busting smuggling has all but dried up since mid-1992 when Jordan reinforced border patrols and spent a large amount from the scarce resources available to it to plug loopholes in the long desert frontiers.

Emphatic reaffirmations that the continuing siege of Aqaba has no other purpose other than enforcing the sanctions against Iraq no longer hold water. It is no secret that the flow of cargo through our Red Sea port has declined to a level below our own national imports (since many of our importers are using Syrian and Lebanese ports), and that the volume of goods entering Iraq through Turkey and Iran is at least six times that which comes through Aqaba.

But we have heard that American officials have been suggesting that the entire situation at the Straits of Tiran, at the mouth of the Gulf of Aqaba where Jordan-bound ships are subject to what could be nothing but intentional harassment, could change if Jordan were to move towards the "dramatic gestures" with Israel that Washington wants the Kingdom to make.

Obviously, the U.S. planners and strategists would like to link the siege of Aqaba with the peace process and pressure Jordan into making gestures that mean nothing but the surrender of the Kingdom's legitimate territorial and water rights and its right to demand compensation for bearing the costs of a problem which was of no making of its own to start with.

U.S. officials have also been saying that the administration on its own cannot do much to help Jordan in a broader context unless without approval by the almighty Congress. That is democracy, they say.

Well, we in Jordan also have democracy and our congress, known as the Lower House of Parliament (just in case the Americans have not taken note), has demanded that the Kingdom refuse to return to the peace talks with Israel unless the blockade of Aqaba is lifted and an announcement to that effect is made at the U.N. Security Council.

Where does that leave Jordan, which is committed to a negotiated peace with Israel and has jumped through every firewheel that the U.S. held out since the beginning of the negotiations in Spain in 1991, and the U.S., which, for all practical and technical purposes, seems more interested in playing to Israeli tunes rather than achieving a just solution to the fundamental conflict in the Middle East?

By Dr. Musa Keilani

THE WEEK IN PRINT

There is no alternative to talks for regaining peace

Reviewed by Elia Nasrallah

THE LOCAL Arabic dailies' commentaries and columns gave prominence to the Middle East question and the negotiations with Israel and discussed domestic affairs among other issues in the past week.

A columnist in Al Ra'i expressed the view that the Arabs in general and the Palestinians in particular have to negotiate with the Israelis and the Americans simply because they have no other alternative given the disarray in their ranks and their military and political weakness.

Ahmad Al Misch said that the Arabs must go to the talks in order to try to salvage whatever they can and regain whatever lands and rights they have lost to the Israelis. But the writer suggested that the negotiations should be referred to the Arab League which, he said, could present a common Arab view and a united stand.

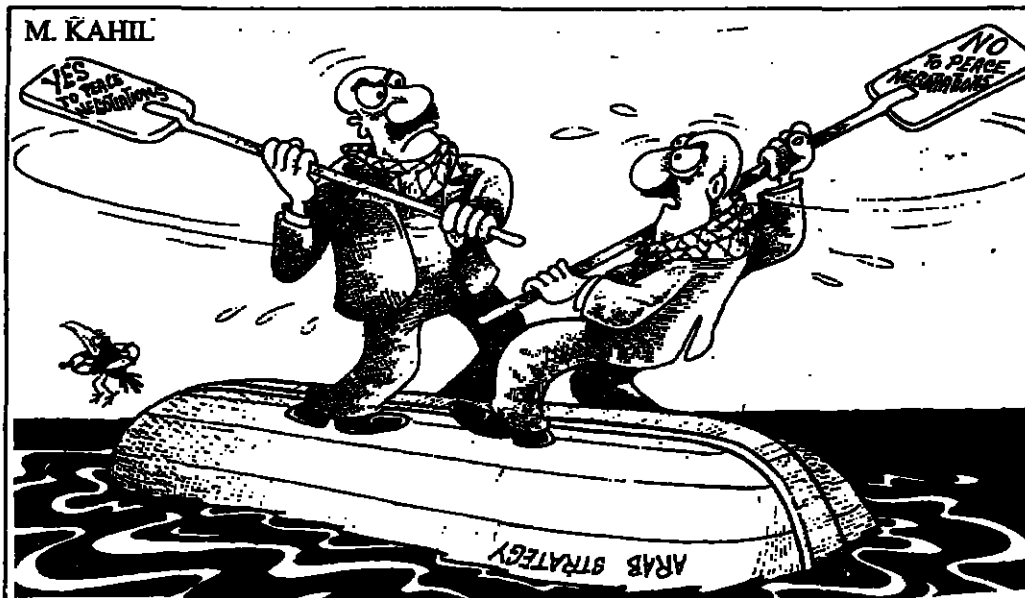
The United States has succeeded in sedating the Arab World by allowing the U.N. Security Council to issue a condemnation of the Hebron massacre to lure the Arabs back to the negotiating table, according to Tareq Masarweh in Al Ra'i daily.

The writer said that the mere condemnation has done nothing to win back Arab rights and the Israelis, as a result of the resolution, have imposed a tight curfew on Hebron, allowing the Zionists only to enter the Ibrahim Mosque.

It is regrettable that the Arabs, and particularly the Palestinians have placed their eggs in the American basket hoping that the Oslo deal would help regain occupied Arab lands and hoping that the negotiations would end the occupation, said the writer.

Mahmoud Rimawi, a columnist in Al Ra'i, said that the United States is using the ongoing Arab-Israeli negotiations as a pretext to excuse itself from condemning Israel's atrocities. He said that while the Israelis continue their malpractices and crimes the United States and the world community are doing nothing but giving the Arabs lip service.

The writer said that the negotiations should by no means be allowed to stop the world community from implementing Security Council resolutions regarding the withdrawal of Israeli forces from occupied lands.



Taher Al Udwan, a columnist in Al Dustour, said that the U.S. administration is openly hostile to the Arabs and their aspirations and the Arab regimes should take a serious stand against this attitude. It is not reasonable for the Arabs to go on trusting the United States while it is taking hostile decisions against the Palestinians and the Israelis at the official and U.N. levels, said the writer.

Washington's latest stand concerning the voting on Jerusalem exposes the Clinton administration's enmity towards the Arabs who should reconsider their stand and adopt reasonable and united stands, he demanded.

Fakhri Saleh, another Al Dustour columnist, said that the latest U.S. stand at the Security Council was bound to have its adverse effects on the Arab-Israeli negotiations. The U.S. has refused to consider Arab Jerusalem as an occupied Arab land for the first time and this is indeed a turning point in America's policy that should be heeded by the Arabs, said the writer.

Sultan Al Harab, a columnist in Al Ra'i, said that despite its negative aspects, Resolution 904 has its positive side. He said that the resolution calls for protection of the Palestinians and demands that the co-sponsors of the peace talks to ensure its implementation.

breathing life in the southern regions of the Kingdom through socio-economic projects.

Fahed Fanek said that the southern regions, which embody the badia area that forms 80 per cent of the total area of the Kingdom, is in a pitiful condition and the government is doing little for its development. When the government wished to develop the Jordan Valley, it created a Jordan Valley Authority that has caused the valley to flourish; the government must follow the same example with the south, suggested the writer. He said that underground water in the badia was sufficient to turn the desert green.

Mohammad Kawash, a columnist in Al Dustour, said that the promised government administrative reform should benefit the authorities in charge of encouraging investments. To encourage investors to come to the country, we must remove obstacles in the way and work efficiently to serve this purpose, said the writer.

It is clear that the Ministry of Industry and Trade officials are overburdened with work in view of the increased demand for new industrial schemes to open and the time has come for the ministry to come up with more dynamic methods and reorganise itself in a way to cope with the challenge for the benefit of the national economy, said the writer.

Commenting on the Health Ministry's recent decision to introduce the national health scheme, a columnist in Al Dustour said that the plan is urgently needed for the benefit of the poor who cannot cover the cost of medical services.

While the rich can pay for their treatment and government employees are covered by the present medical and health care system, the other sectors, particularly the needy farmers, are helpless and in dire need of a national health scheme, he added.

Nazih Qusous, a columnist in Sawt Al Shaab daily, said that the scholarships of the Ministry of Higher Education are unfairly distributed to the students. Due to favoritism and nepotism many students with tawfiqi grades in the 70s succeeded in securing scholarships while those with 90 per cent averages were deprived of the service, the writer said.

He said that he knows of many instances where Parliament members, acting through their friends and relatives in high position, succeeded in mediating for people to get the scholarships to which they are not entitled.

A columnist in Al Ra'i dailies said it is regrettable that the Israeli television has succeeded in areas where Jordan Television has failed. Israel television has been successful in holding panel discussions to tackle issues of concern to the public, but Jordan Television still lags far behind and does not present programmes that appeal to the viewers, said the writer.

It is not enough for the public administration reform to touch the education and the health systems, said the writer, as the public is keen on learning more and going in-depth into issues of interest to people's daily life.

W. Bank law loaded against Arabs

By Sarah Helm

HEBRON, Occupied Territories — The law does not favour Arabs in the Israeli-occupied West Bank. On March 19, Palestinian families waited for hours, caged behind a tall wire fence, to hear if their sons' cases would be heard at the military court in Hebron.

In a small room inside the fortified barracks which houses the court, young soldiers picked over dog-eared files. Some cases had been awaiting trial for months, some for years.

Mohammad Shweiki, a mathematics teacher, was hoping to see his son, Abed Alnabi, who was jailed five months ago for alleged membership of Hamas, the Islamic Resistance Movement. "I want to hear what the charge is. I want to hear the evidence," he said.

But there was no sign of his son, nor of any evidence. At midday, a military judge, a 35-year-old major, and a military prosecutor, a 24-year-old captain with a law degree, took their seats. There were lawyers in suits and defendants in leg chains. But no charges were read or witnesses heard. There were no law books to refer to. Just the files, opened and discussed for a moment, then closed as the defendants were returned to their cells.

Hebron military court is only for Arab "crime", committed against Israeli soldiers or settlers. Although 6,000 settlers live in Hebron, they are subject to different laws.

The Hebron massacre has turned a spotlight on the legal discrimination that has operated in the occupied territories since they were seized by Israel in 1967. The Israeli government claims that it fulfils its obligation as an occupier under international law, to protect "the local population". But there is no equality before the law.

The commission of inquiry into the massacre has heard that the Israeli army never considered the possibility that Jews could commit crimes against Arabs, only that Arabs would commit crimes against Jews. Army orders said soldiers could not shoot a settler, even if that settler was killing Arabs.

A report issued by B'tselem, the Israeli human rights group, after the massacre, has produced the first detailed study of the law governing settlers. It shows that crime by settlers against Palestinians is common, but rarely prosecuted. If charged at all, settlers are tried inside Israel proper in civilian courts that treat them leniently. Sixty-two Palestinians have been killed by settlers since 1988, according to the report. Only one settler has been convicted of murder.

There cannot be any question of Jordan's commitment to negotiated peace. It has met every American condition and responded enthusiastically to the window of opportunity for peace that negotiations with Israel holds out. But it cannot and peace that negotiations with Israel holds out. But it cannot and peace that negotiations with Israel holds out. But it cannot and peace that negotiations with Israel holds out.

Foremost of the American demand is that Jordan, regardless of the progress in the direct, bilateral Arab-Israeli peace negotiations, sign an agreement with the Jewish state and then negotiate the terms of that agreement. What a lopsided logic! But then American logic, when it comes to matters related to Israel, has never made any sense even after repeated incidents where the Jewish state has openly challenged the interests of its guardian angel. (Indeed, it is for the Americans to decide whether their interests lie where their taxdollars are spent and we reserve comment on that at this point in time).

However, that does not mean that we in Jordan have catered to the American logic tailor-made to suit Israeli interests. There is always a bottom line and Jordan has been treading on that bottom line for years.

We all hoped early this year that at last there was a solution in the offing to remove the hurdles that the enforcement of the sanctions against Iraq pose to our maritime operations. After the January meeting between King Hussein and President Clinton at the White House and the presentation our prime minister, Abdul Salam Majali, made to the U.N. Sanctions Committee in New York, we all hoped that there would be a quick follow-up to the proposal to station an international independent agency to inspect all incoming and outgoing cargo at the port of Aqaba; in effect moving the sea-based inspections to the land.

For some time it seemed that Washington was serious in considering the proposal. But, as it seems now, the interest has not only turned cold but also turned around as the recent escalation of Red Sea interceptions and tightening of sea-borne inspections of Jordan-bound ships evidence.

Quite simply, Jordan cannot accept this status quo. Beyond the economic losses that the Kingdom suffers in the bargain, our national dignity has been injured and we will not allow it to continue. And if the Americans think that we Jordanians will keep quiet and continue to endure national humiliations and be subject to whatever game they are playing, then it is high time they sat back and spared time to reconsider their convictions.

occupied territories, it has always been clear that there is one law for them and one for the settlers. "Laws in the occupied territories are not based on what a human being may do or not do, but on whether he is a Jew or not," says Raja Shehadeh, a leading Palestinian human rights lawyer.

Outside the courts, Palestinians are punished collectively every day, by curfews, mass arrests and house demolitions. The families of Palestinians charged with serious offences often have their homes demolished. Jewish settlers are never punished in this way.

In Hebron, as elsewhere, there had been hope that such oppression might end with the signing of the Oslo peace accords. But since the massacre the town has been a victim of the most blatant of all parodies of justice: on the order of the army, the 150,000 Palestinians of Hebron have been "collectively punished" for the massacre, which was carried out by a Jew. The Arab town has been placed under curfew, but the Jewish settlements are under no restriction.

"Laws in the occupied territories are not based on what a human being may do or not do, but on whether he is a Jew or not."



ARAB BANK PLC

CHAIRMAN'S MESSAGE

Dear Shareholders,

Your institution stands tall and proud after 64 years of operations during which I, myself, worked for 58 years. It is now one of the principal financial institutions in the Arab world and ranks among the leading international banks in terms of equity, earnings, and assets. The path of Arab Bank has been long and arduous; however success amid the current rapid changes calls for additional efforts and resources, improved efficiency, and more advanced technology. Future changes and difficulties will demand even more sophisticated solutions.



Throughout past years, we contributed effectively and positively to the development of the Arab economy without discrimination of any kind. The mission envisaged for your institution by its founder, the late Abdel Hameed Shoman, illuminated our way. Arab Bank pioneered banking in the Arab world. Furthermore, the Bank has never hesitated to serve sincerely its customers at all levels wherever it operated. After all these years however, more serious and devoted efforts are needed to achieve inter-Arab economic cooperation at the degree we had hoped for. Our objective is formidable and still eludes us. Yet we have hopes of a better future. The recent regional economic grouping makes the need for better Arab co-operation even more imperative.

The year 1993 witnessed an acceleration of the peace process in the Middle East. The Palestinians accepted an agreement that will give them back part of their legitimate and just rights. The West Bank and Gaza Strip are to be returned to Arab sovereignty. As a result of this agreement, Arab Bank will reopen its branches in Nablus, Gaza, Ramallah, Hebron, Tulkarm, Jenin, and Jerusalem. We will do our best to provide our people in Palestine with outstanding services to help them in rebuilding their economy. Our positive contribution to the development of the community will reach all Palestinian areas via the existing branches and new ones that the needs may create.

During the long history of the Bank we have worked hard to strengthen its financial position as well as its international presence. In spite of crises, wars, and continuous political instability in the area, we have been able to overcome all hurdles and promote the Bank to become one of the best international financial institutions. We have achieved our goals by the help of God, the support of our shareholders, the loyalty of our customers, and the efforts of our staff.

After all these years and changes, Arab Bank will continue to follow its prudent and sound policies. The deep-seated confidence enjoyed by the Bank has been earned by hardwork and selective standards which include prudent management of funds, preference for good financial position rather than short term profitability, diligent cultivation of customer trust as well as provision of excellent customer services. We also endeavour to serve the economy of the Arab world, and will do our best to operate in the Arab countries where we do not work at the present time for reasons beyond our control. Special attention will be given to the Palestinian community, without impairing our sound banking standards.

During the past years Arab Bank has succeeded in achieving several financial goals. In the last ten years, for example, the Bank was able to increase its capital base significantly by retention of income, as it followed a policy of building up its equity via retained earnings. The market value of the Bank's stocks has been enhanced several fold as a result of this policy. The growth of customer deposits has been parallel to the increase in equity. The positive growth in customer deposits has been reflected in the assets of the Bank, which reached JD 7,570.4 million, representing a material

growth during the same period.

High liquidity, a stable and loyal customer base, diversification of risks, and prudence in investments guarantee that we will continue to play a major role in financial markets in the future. It is important to underline that Arab Bank will continue to pursue cautious yet flexible policies, so as to accommodate its customers' needs and assure at the same time its outstanding performance.

In 1993, Arab Bank achieved good results in almost all its activities, including revenue as well as management of the balance sheet. Net income for the year, after the deduction of all expenses, provisions, and taxes reached JD 59.5 million compared to JD 55.1 million in the previous year. The Group's net income remained at its 1992 level, recording US\$ 107.2 million. Most of the earnings were created by standard banking operations, hence net interest composed 64.9% of the total revenue. The growth of the external funds paralleled the development of the investment opportunities we chose in 1993. Total assets at the end of the year reached JD 7,570.4 million, representing an increase of 6.2%. Liquidity was at 61.8%. The loan portfolio was 35.2% of total assets, the majority of which are composed of customers' deposits which amounted to JD 6,994.1 million compared to JD 6,581.0 million in the past year. The Bank's external funds are usually derived from its customers' deposits. Inter-bank activities are kept confined to correspondence banking requirements.

It can be observed from the balance sheet that the Bank continued its selective lending policy. Loan portfolio net of doubtful debt provision improved slightly over the previous year's level, recording JD 2,668.6 million. Investments in prime quality marketable securities and promissory notes increased to JD 985.6 million from JD 868.9 million in 1992.

The Board of Directors recommends to the General Assembly that it approve the distribution of 35% of the nominal share value as dividends. The balance of net income is allocated to the equity reserves as shown in the attached financial statements. Accordingly, total equity is increased to JD 432.0 million as against JD 388.0 million at the end of 1992. Total equity of the Group exceeded the one billion US\$ mark for the first time to reach US\$ 1,061.1 million compared to US\$ 993.0 million.

The equity asset ratio was increased to 5.7% compared to 5.4% in the previous year. The capital adequacy ratio measured according to the BIS rules reached 12.42% compared to 11.96% at the end of 1992.

Arab Bank continued its expansion in the Arab countries and the world in general. At the beginning of 1993, our new branch in Aden, Yemen Republic, entered into operation. In April, Arab Bank AG in Frankfurt, Germany, started operations; this Bank is a wholly owned subsidiary of Arab Bank Plc and operates within the rules and regulations of the EC. Our branch in Madrid, Spain, started its operations at the end of July. Furthermore, several offices and branches joined our network in Jordan.

During the year, Mr. Rafic Al Hariri relinquished his membership of the Board to carry out his duties as Prime Minister of Lebanon. I would like to convey to the Prime Minister, on your behalf, our warmest thanks and appreciation for his services on the Board during the past years. I would also like to extend to him our sincere good wishes for success in his efforts to rebuild Lebanon. Mr. Bahaa Rafic Hariri was elected by the Board to fill the vacant seat according to paragraph (A) of Article 178 of the 1989 Jordan Company Law.

With the Meeting of the General Assembly, the four-year term of office of the current Board comes to an end. The General assembly is kindly requested to elect a new Board.

On this occasion, I would like to extend my heartfelt thanks and appreciation to all Board Members for their services on the Board during the previous years. I would also like to thank our shareholders and customers for their confidence and continuous support and our staff for their dedicated work and loyalty.

Abdulmajed Shoman

Abdulmajed Shoman
Chairman, Board of Directors

A SPECIAL RELATION

Arab Bank management's belief in its mission crowns the elements that have enabled it to achieve continuous success. Its objectives exceed the usual income generating goals. The Bank is in partnership with the societies where it operates, its aim being to enhance their welfare and participate in their economic and social development. For the Bank to succeed in its endeavours, its customers must share its beliefs and play an active role in the fulfilment of its objectives.



When we go back in memory, we can recapture vivid pictures that exemplify the special relation bonding Arab Bank to its customers, the children and grandchildren of those who entrusted us with their banking business more than 60 years ago are our customers today. The Bank succeeded in growing in harmony with their development and prosperity. Arab Bank history is part of their heritage because it has been a trusted advisor to them in problems that have sometimes been beyond the bounds of business and finance.

Our client is not a mere number in a transaction. He is a member of the family. We know the first names of our customers as they know ours. This special relation is evident in troublesome times. During political crises, for example, new customers join and clients deposits grow. The management of Arab Bank works hard to enhance this mutual trust by following clear and reliable policies.

Arab Bank works to meet the needs of its customers in a simple and direct manner. A full line of useful products has been designed over the years. This includes retail banking, private banking, trade and industrial financing, merchant banking, consumer and real-estate lending and international banking services.

By simplified utilization, Arab Bank aims to excel in performance. The Bank does not take quality for granted, it masters all elements of its services, moulding them to serve its customers. Information and advice are presented clearly in order to enhance the customer's chances of success. Technical excellence has been a basic element in building this special relation.

All resources are utilized to increase our efficiency to serve our clients promptly. One of the main ingredients of the Bank's success in the financial sector is its selected staff. Throughout the history of the Bank, its employees' dedication and perseverance have been its source of power. Our customers' loyalty and confidence are a direct response to our staff performance, the Bank takes great pride in knowing that it has employed generations of outstanding individuals who are at the forefront in the fields of finance and banking.

Arab Bank's investment in modern technology is another important element of its policy to achieve distinction in customer services. The Bank is a leader in utilizing modern technology in its operations. Our investment in automated services, data processing and communications enable our customers to execute their banking transactions instantaneously. The facilities of the Bank also enable them to obtain relevant and timely information.

To complement our efforts to excel in serving our customers, we have travelled with them East and West. A diversified network of branches and subsidiaries covering most of the international financial centers in the world has been placed at their disposal, thus enabling them to receive immediate assistance and saving them unnecessary expense. The Bank's global network has also enriched our customer base through the addition of new facilities in the countries where the Bank operates.

Our customers' trust in the Bank is based on its good financial position. Arab bank has proved time and again its ability to survive and succeed during periods of crisis thanks to its sound policies. Prudent management of funds has enabled the Bank to maintain a strong and healthy financial position responding to customers' needs and fulfilling its commitments towards them in troublesome times. The Bank's sustained care of its customers' interests has been instrumental in deepening their confidence in the Bank.

We are certain that the special relation with our customers will flourish in the future despite the significant change affecting all aspects of life. Many assumptions on which we used to build our strategies have been altered, and the banking industry is entering an era in which it will be compelled to increase its effectiveness in a way that might weaken direct relations between client and bank. Despite all of these elements, Arab Bank will continue to remain faithful to its customers, focusing on their strategies and needs. We shall be aiming for a renewed future partnership in the same way as we have shared past success.

Khalid Shoman
Deputy Chairman,
Board of Directors



ARAB BANK PLC

Balance Sheet as of 31 December 1993 and 1992

	1993 J.D.('000)	1992 J.D.('000)
Assets		
Cash and due from banks	3,695,687	3,420,872
Securities and investments	985,629	868,935
Loans and advances	2,668,564	2,596,201
Customers' liability on acceptances	92,004	111,076
Premises and equipment	48,532	42,259
Accrued interest receivable	46,949	49,512
Other assets	33,061	38,522
Total Assets	7,568,425	7,127,377
Customers' liability on guarantees and letters of credit	2,422,468	2,225,695
Total Liabilities	2,422,468	2,225,695

	1993 J.D.('000)	1992 J.D.('000)
Liabilities and Shareholders' Equity		
Deposits and other accounts	6,994,073	6,581,010
Acceptances	92,004	111,076
Accrued interest payable	36,894	34,036
Dividends and remunerations	15,455	13,255
Capital	44,000	44,000
Statutory reserve	44,000	36,000
Voluntary reserve	75,000	60,000
General reserve	269,000	248,000
Total Liabilities and Shareholders' Equity	7,568,425	7,127,377
Guarantees and letters of credit	2,422,468	2,225,695
Total Liabilities	2,422,468	2,225,695

Khalid A.H. Shoman
Deputy Chairman

Abdulmajeed A.H. Shoman
Chairman

Statement of Sources and Applications of Funds for the years ended 31 December 1993 and 1992

	1993 J.D.('000)	1992 J.D.('000)
Funds Provided		
Net income	59,455	55,055
Depreciation of premises and equipment	5,797	4,863
Total funds provided from operations	65,252	59,918
Increase in:		
Deposits and other accounts	415,921	136,430
Decrease in:		
Cash and due from banks	-----	62,154
Loans and advances	-----	53,958
Other assets	8,024	11,327
Total Funds Provided	489,194	432,523

	1993 J.D.('000)	1992 J.D.('000)
Funds Applied		
Dividends and remunerations paid	13,255	11,055
Increase in:		
Cash and due from banks	274,815	-----
Securities and investments	116,694	302,710
Loans and advances	72,363	-----
Premises and equipment	12,070	10,022
Total Funds Applied	489,194	432,523

Auditors' Report

To the Shareholders of Arab Bank.

We have audited the balance sheet of Arab Bank (a Jordanian public shareholding limited company) as of December 31, 1993 and 1992, and the related statement of income and statement of sources and applications of funds for the years ended December 31, 1993 and 1992. We conducted our audit in accordance with International Standards on Auditing and included such tests of the accounting records and of the system of internal control and such other auditing procedures as we considered necessary in the circumstances. We have obtained the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

Profit and Loss Statement for the years ended 31 December 1993 and 1992

	1993 J.D.('000)	1992 J.D.('000)
Revenue		
Interest revenue	415,141	428,341
Less: Interest expense	271,864	296,121
Net interest revenue	143,277	130,220
Non-interest revenue		
Commissions	42,129	35,756
Foreign exchange trading	12,898	9,704
Other revenue	22,589	19,263
Total non-interest revenue	77,616	64,723
Total Revenue	220,893	194,943
Expenses		
Salaries and staff benefits	57,670	50,868
Depreciation of premises and equipment	5,797	4,863
Other expenses and provisions	77,892	68,229
Net income before income taxes	79,534	70,983
Income taxes	20,079	15,928
Net Income	59,455	55,055
Appropriations		
To statutory reserve	8,000	7,150
To voluntary reserve	15,000	8,600
To general reserve	21,000	26,050
Proposed cash dividends	15,400	13,200
Directors' remunerations	55	55
Total Appropriations	59,455	55,055

The Bank maintains proper accounting records and the accompanying financial statements are in agreement therewith. Furthermore, the financial data presented by the Board of Directors are in agreement with those records.

In our opinion, the accompanying financial statements present fairly the financial position of Arab Bank as of December 31, 1993 and 1992, and the results of its operations and its sources and applications of funds for the years then ended, in conformity with International Accounting Standards, and we recommend that the General Assembly approves these financial statements.

Saba & Co.
Amman, Jordan, January 24, 1994



ARAB BANK GROUP

Balance Sheet as of 31 December 1993 and 1992

	1993 US\$ ('000)	1992 US\$ ('000)
Assets		
Cash and due from banks	7,865,574	8,041,862
Securities and investments	1,531,832	1,364,267
Loans and advances	4,313,880	4,227,449
Customers' liability on acceptances	130,658	160,727
Investments in associated companies	335,293	335,744
Premises and equipment	84,949	77,045
Accrued interest receivable	68,278	72,601
Other assets	83,297	94,541
Customers' liability on guarantees and letters of credit	3,719,960	3,498,589

	1993 J.D. ('000)	1992 J.D. ('000)
Liabilities		
Deposits and other accounts	13,143,135	13,148,269
Acceptances	130,658	160,727
Accrued interest payable	53,344	49,859
Proposed dividends	25,553	22,430
Shareholders' Equity		
Capital	139,246	139,246
Statutory reserve	111,677	99,558
Voluntary reserve	148,871	127,571
General reserve	672,406	635,414
Reserves with associated companies	214,211	202,882
Retained earnings	2,714	2,778
Total	1,289,125	1,207,449
Translation adjustments	(228,054)	(214,498)
Guarantees and letters of credit	3,719,960	3,498,589

Profit and Loss Statement for the year ended 31 December 1993 and 1992

	1993 US\$ ('000)	1992 US\$ ('000)
Revenue		
Interest revenue	690,916	729,786
Less: Interest expense	450,523	507,598
Net interest revenue	240,393	222,188
Non-interest revenue		
Commissions	79,138	71,330
Foreign exchange trading	24,462	19,367
Other revenue	70,117	71,527
Total non-interest revenue	173,707	162,224
Expenses		
Salaries and staff benefits	101,944	91,925
Depreciation of premises and equipment	9,944	11,693
Other expenses and provisions	138,955	120,980
Net income before income taxes	165,257	159,794
Income taxes	58,028	53,422
Net income	107,229	106,372
Appropriations		
Net income	107,229	106,372
Retained earnings brought forward	2,778	3,718
To statutory reserve	12,119	10,818
To voluntary reserve	21,300	12,445
To general reserve	36,992	44,192
To reserves with associated companies	11,329	17,427
Proposed cash dividends	25,475	22,350
Directors' remunerations	78	80
Retained Earnings Carried Forward	2,714	2,778

Statement of Funds and Applications of Funds for the year ended 31 December 1993 and 1992

	1993 US\$ ('000)	1992 US\$ ('000)
Funds Provided		
Net income	107,229	106,372
Depreciation of premises and equipment	9,944	11,693
Total funds provided from operations	117,173	118,065
Decrease in:		
Cash and due from banks	176,288	630,936
Loans and advances	---	55,839
Investments in associated companies	451	---
Other assets	15,567	36,103
Total funds provided from changes in assets and liabilities	192,306	722,878
Funds Applied		
Dividends and remunerations paid	22,430	19,305
Translation adjustments	13,556	43,915
Increase in:		
Securities and investments	167,565	422,709
Loans and advances	86,431	---
Investments in associated companies	---	49,120
Premises and equipment	17,848	11,634
Decrease in:		
Deposits and other accounts	1,649	294,080

Auditors' Report

To the Shareholders of Arab Bank.

We have audited the consolidated balance sheet of Arab Bank Group, as of December 31, 1993 and 1992, and the related consolidated statement of income and consolidated statement of sources and applications of funds for the years then ended. Our audit was conducted in accordance with International Standards on Auditing and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Included in the financial statements are amounts relating to a sister company and certain subsidiaries audited by other auditors whose reports we have reviewed.

In our opinion, based upon our examination and the reports of other auditors, the accompanying financial statements present fairly the financial position of Arab Bank Group as of December 31, 1993 and 1992, and the results of its operations and its sources and applications of funds for the years then ended, in conformity with International Accounting Standards.

Saba & Co.

Amman, Jordan, January 24, 1994

ARAB BANK

Arab Bank (Switzerland) Ltd.,
Zurich, Geneva
Wholly owned by the shareholders of Arab Bank Plc.
Arab Australia Ltd.
Sydney
Wholly owned subsidiary
Arab Bank (Austria) AG
Vienna
Wholly owned subsidiary
Arab Bank AG
Frankfurt
Wholly owned subsidiary
Finance, Accountancy, Mohassaba S.A.
Geneva
Wholly owned subsidiary

SISTER INSTITUTIONS, SUBSIDIARIES AND ASSOCIATED COMPANIES

Arab Tunisian Bank 64.24 % owned
Arab Bank Maroc 50 % owned
Oman Arab Bank S.A.O. 49 % owned
Arab National Bank 40 % owned

ARAB BANK, GENERAL MANAGEMENT, SHMEISANI, AMMAN, P.O. BOX 95844-5,
TELEPHONE : 660115, 660131 . TELEX : 23091 ARABNK JO , FAX : (962) (6) 6646793

BOARD OF DIRECTORS' 64TH ANNUAL REPORT

For the year ended 31 December 1993, submitted to the General Assembly of Shareholders at the Annual Meeting held at the Bank's Head Office Building, Shmeisani, Amman, at 10 a.m., Friday, 25 March 1994.

Dear Shareholders,

Arab Bank Group demonstrated in 1993 that it could continue to achieve good results under difficult and uncertain conditions. The banking industry faced a number of challenges during the year including severe unemployment and worldwide fragile growth which persisted for longer than had been generally expected. An uncertain political picture in the Middle East had also impacted negatively the economies of the countries where we operate. Despite these and other challenges, the Group achieved satisfying results in 1993.

Business environment

At long last the industrialized world realized that the unemployment problem can no longer be solved by the application of economic theories that had been effective in the past. Positive although weak growth was achieved by the introduction of expansionist fiscal and monetary policies. Yet solving the unemployment problem eluded the economic planners. Except in a few places, this problem stubbornly continued to exist, recording 6.4% in the United States, 9.0% in Germany, 12.0% in France and 9.8% in the United Kingdom. An open border policy transformed the labour market into a global phenomenon in the real meaning of the term. Labour-intensive industries crossed borders in search of cheaper cost, thereby creating real and permanent damage to the labour market in the more advanced countries. The end of the Cold War further aggravated the problem when hundreds of thousands of young soldiers and defense industry employees were released to enter the job market. The outstanding technological developments in automation as well as the relentless efforts of almost all industries to increase efficiency and downsize worsened the problem still more. Many economists and social scientists attributed the exacerbation of this problem to other factors such as the entry of a higher percentage of women into the job market in addition to the exponential increase of young age groups.

It is unlikely that a permanent cure for this problem will be found in the near future. Some researchers have started to toy with solutions that may be described at best as temporary, including the reduction of working hours and continuous efforts to increase economic growth. The problem is now also being discussed at the international level after being confined most of the time to local boundaries.

Although the economically advanced nations found themselves in 1993 at different points of the economic cycle, most of them enjoyed a lower rate of inflation and some marginal growth. During 1993 the consumer price index recorded 2.7% in the United States, an average of 3.4% in nine of the European Community countries, and 1% in Japan. At the end of the year the GDP index registered 2.8% in the United States, 2.1% in the U.K., 0.5% in Japan and a decline of 1.4% in Germany.

Interest rate differentials in major currencies declined to levels that may have been the lowest ever observed. At the end of 1993, the difference between interest rates in most of the European Community currencies was less than 2.7%. The interest rate differential between the U.S. dollar and the Deutsche mark receded to 2.9% from 3.9%, which was recorded at the beginning of the year.

Anxiety prevailed in the foreign exchange market. Major players were frustrated by their inability to predict the future movements of the exchange rates. Ambiguity as well as lack of direction in economic policies made forecasting of exchange rates harder than ever. The U.S. dollar appreciated solidly throughout the year, while several economic and political factors depressed the Deutsche mark.

After seven years of negotiations, the GATT talks, better known as the Uruguay Round of the GATT, came to an end during the last few days of December 1993. A successful agreement opened the door to an increase in international trade without unjustified discrimination in tariffs. It is hoped that the agreement will enhance global growth and contribute positively to solving international economic problems.

After the adoption of a free market philosophy, the Eastern European countries are still looking for stable economies and meaningful success. Further efforts to modernise industry and to free the agents of production are still needed. During 1993, however, most of these countries continued to suffer from political uncertainties and civil wars.

As expected, oil prices declined from their high level of 1992. The efforts by OPEC to limit their own production were partially successful. The possibility of Iraq re-entering the oil market looms heavily over prices. The impact of its renewed production has to be handled properly, the price per barrel may decline below US\$ 10 unless other countries are willing to cut production to accommodate the new quantity.

FINANCIAL REVIEW

OVERVIEW

1993 was a year of change and expectations. The political environment took its toll on our customers' behavior. Anticipations and anxiety forced most investment expansion decisions to halt, while awaiting a more transparent and less ambiguous picture. Despite the high level of uncertainty in the world markets and the Arab world political arena, positive changes were observed in the structure of the balance sheet of Arab Bank Group. Total assets grew at 0.3%, and loan portfolio at 2.0%, while customer deposits remained at 1992 level. On the other hand, revenue rose to US\$ 414.1 million, recording an increase of 7.7%, and net income grew by US\$ 0.8 million, representing an increase of 0.8%.

FINANCIAL POSITION

The following presents an analytical review of the most important changes in 1993 in the asset liability position of Arab Bank Group.

Assets

Total assets rose to US\$ 14,413.8 million from US\$ 14,374.2 million, representing a 0.3% increase. Off-balance sheet items, composed of customers' liabilities on guarantees and letters of credit, grew by US\$ 221.4 million and

6.3%. The increase in both on-balance sheet and off-balance sheet assets augmented the total footing of the Group to US\$ 18,133.7 million.

Liquidity

The stability in customer borrowings coupled with the increase in equity as well as the higher investment in money market instruments enabled the Group to keep its liquidity at the previous year's level. The maintenance of high liquidity ratios is a major element of the Group's prudent policies. The balance of cash in hand and at banks slightly declined, recording a 2.2% decrease to reach US\$ 7,865.6 million at the end of 1993 compared to US\$ 8,041.9 million at the end of 1992. Added to marketable securities, cash in hand and with banks represented 65.2% of total assets, a decline of 0.1% compared with the 1992 figure.

Securities and investments

The security portfolio, which consists mainly of prime government bonds and promissory notes, rose by US\$ 167.6 million, or 12.3%, in 1993. The balance of securities and investments at the end of the year was US\$ 1,531.8 million compared to US\$ 1,364.3 million at the end of 1992.

Loan portfolio

The balance of loans and advances net of doubtful debt allowance was US\$ 4,313.9 million at the end of 1993 compared to US\$ 4,227.4 million at the close of the previous year. The marginal growth of US\$ 86.5 million, or 2.0%, reflects the result of the Group's efforts to expand its prime quality lending. The success of its endeavours in this area was limited by three factors. The first was the decline in the exchange rates of the operational currencies of all the Group's units against the US\$, the Group's reporting currency, which diluted the high growth in local currencies. The reluctance of most of the customers in the Arab world to initiate new investments and borrowing activities during 1993 was the second major factor depressing growth in the Group's loan portfolio. The third factor was the low level of interest payable on the major currencies, which led customers to reimburse the value of their borrowing in local currencies, thus saving on interest rate differentials and reducing outstanding balances of the loan portfolio.

Shareholders' equity

Shareholders' equity rose by 6.9%, i.e., US\$ 68.1 million, thereby crossing the one billion US\$ mark to reach US\$ 1,061.1 million, compared to US\$ 993.0 million at the end of 1992. The decline of the exchange rates of both the Jordanian dinar and the Swiss franc against the US\$ negatively impacted the growth of the Group's equity accounts. The Jordanian dinar declined by approximately 2.0%, and the Swiss franc by around 0.1%. Hence Arab Bank Plc and Arab Bank (Switzerland) Ltd account for more than 90% of the total equity of the Group. Paid-in capital remained unchanged from its 1992 level. The Group will continue its successful build-up of the disclosed capital base in the future. Shareholders' equity to total assets ratio was 7.4% at the end of 1993 compared to 6.9% at the end of 1992.

The capital adequacy ratio, calculated according to the BIS rules, improved its 1992 level, recording 13.21% compared to 12.50%.

Deposits

The total balance of deposits equalled US\$ 13,143.1 million compared to US\$ 13,148.3 million in 1992. Customer deposits were negatively affected to some extent by currency translation; however deposits in local currencies observed a more positive growth rate in all the Group's entities. Furthermore, the relatively low level of interest rates on the major currency caused a shift in customers' investment strategy from the money market into high yielding financial instruments and securities.

Funds placed with the Group from other financial institutions were confined to the needs dictated by the corresponding banking activities.

Results of operations

Arab Bank Group turned in another successful performance for the year that ended on 31 December 1993 despite the unfavorable conditions that prevailed throughout that year. Both net interest revenue and all components of non-interest revenue increased, except other revenue which declined slightly. The increase in operating expenses was contained within the normal operational needs of the Group.

Net income

Net income before tax reached US\$ 185.3 million compared with US\$ 159.8 million at the end of 1992. This positive performance is attributable to the improved earning power of most entities in the Group. Income from associated companies improved also during 1993. Net income after tax recorded a growth of 0.6% to reach US\$ 107.2 million compared to US\$ 106.4 million in 1992. This was diluted by the sizeable increase in provisions to meet all possible conditions resulting from bank operations as well as economic and political changes.

Net interest revenue

Interest revenue reached US\$ 690.9 million in comparison to US\$ 729.8 million in 1992. Interest expense declined to US\$ 450.5 million, the decrease in both components of net interest reflects the lower global levels of interest rates. Net interest revenue increased by US\$ 18.2 million and 8.2% over 1992, representing a real growth in the earning power of the Group.

Commission

Commission income grew by 10.9% to reach US\$ 79.1 million compared to US\$ 71.3 million in 1992. The increase in commission income reflects the outcome of the efforts made by the Group's entities to improve their commission earning products and meet the customers' growing needs for traditional as well as new services.

Foreign exchange revenue

Revenue from foreign exchange improved to US\$ 24.5 million compared to US\$ 19.4 million in 1992. The significant fluctuations in the foreign exchange market, coupled with the Group's and customers' activities, contributed to the growth of revenue from foreign exchange in 1993.

Other revenue

Other revenue decreased by US\$ 1.4 million compared to the figure of US\$ 71.5 million recorded in the previous year. Part of this decrease reflects miscellaneous items that do not necessarily recur from year to year.

Operating expenses

Total operating expenses augmented to US\$ 248.8 million in comparison to US\$ 224.6 million for 1992. A comparative analysis of the components of the operating expenses is presented below:

	1993	In US\$ million 1992	Variance
Staff expenses	101.9	91.9	10.0
Depreciation	9.9	11.7	(1.8)
Provisions and other expenses	137.0	121.0	16.0
Total	248.8	224.6	24.2

The sum of US\$ 101.9 million in staff costs represents 41.0% of total operating expenses compared to US\$ 91.9 million and 40.9% of total expenses of 1992. The rise in staff costs by US\$ 10.0 million reflects the generous increase of staff salaries, especially by Arab Bank Plc in Jordan, as well as cost-of-living adjustments. An additional amount was allocated to the staff indemnity fund to adjust for future expectations.

In 1993, depreciation expenses were lower than those in 1992. The US\$ 1.8 million decrease reflects the normal decline in depreciation expenses of plants and equipment. During 1993 no significant changes took place in the structure of fixed assets or equipment of the Group.

Other expenses and provisions for the year reached US\$ 137.0 million compared to US\$ 121.0 million in the previous year. The usual operating expenses components of this amount were stable, growing at a normal rate during 1993. The provision components were increased to meet the high quality standards enforced by the management.

PERFORMANCE OF THE GROUP'S ENTITIES

The Group's consolidated financial statements include the financial statements of Arab Bank Plc, Arab Bank (Switzerland) Ltd, a sister company wholly owned by the shareholders of Arab Bank Plc, and the following wholly and majority owned subsidiaries of Arab Bank Plc.

- Arab Australia Ltd, wholly owned subsidiary.
- Arab Bank AG, Frankfurt, wholly owned subsidiary.
- Arab Bank (Austria) AG, wholly owned subsidiary, and
- Arab Tunisian Bank, 64.24% owned.

The following paragraphs contain a brief description of the major activities of these entities.

ARAB BANK PLC

Arab Bank Plc is registered in Jordan as a public shareholding company. 1993 was another successful year in the history of the Bank's 64 years of existence. Acceptable growth was observed in almost all aspects of the Bank's financial position. Net income improved by 8.0% over 1992 reported figures.

Results of operations

Total revenue of the Bank grew to JD 220.9 million from JD 195.0 million. The growth in total revenue was positively affected by all components of the Bank's revenue.

Net interest revenue, which constituted 64.9% of total revenue, improved to JD 143.3 million from JD 130.2 million in 1992. This increase represents a real growth in the earning power of the Bank as it was achieved under the unfavorable conditions which prevailed in the world and in the Middle East during most of 1993, a period when a general decline in interest rates was also observed worldwide.

Net income after tax for 1993 was JD 59.5 million compared to JD 55.1 million for 1992. The management of Arab Bank Plc decided to take all prudent measures in order to meet any contingencies that might arise from the impact of bank operations and political uncertainties.

Financial position

Shareholders' equity rose by JD 44.0 million to reach JD 432.0 million, as a result of income capitalization.

Total deposits recorded an increase of 6.3% and JD 413.1 million to reach JD 6,994.1 million. This improvement was completely dominated by customer deposits.

The structure of the Bank's assets was relatively altered in 1993 to give more weight to liquid assets. The Bank's assets in 1993 were made up as follows:

	1993	1992	Variance
Cash and marketable securities	4,681.3	4,289.8	391.5
Loans and advances	2,668.6	2,596.2	72.4
All other assets	220.5	241.4	(20.9)
Total assets	7,570.4	7,127.4	443.0

Arab Bank Plc usually maintains high liquidity. The liquidity ratio (cash in hand and at banks and marketable securities to total assets) was 61.8% at the end of 1993 compared to 60.2% at the end of 1992.

Other achievements

Arab Bank management worked to meet the new challenges that may emerge from the peace process in the Middle

East. The development of operational strategies as well as the identifying of new objectives within the general frame of the Bank's mission were incorporated in the plans of the Bank. Introduction of new products and services was a priority.

In September 1993, the Singapore branch successfully launched the Group's first equity investment fund. The AB Asia-Pacific Growth Fund is an open-ended investment vehicle registered in the British Virgin Islands. The goal of the Fund is to achieve long-term capital appreciation, mainly by investing in equities listed on the stock exchanges of the Asia-Pacific region. The Fund is open to investors seeking exposure to the dynamic economy of that region.

Furthermore, Arab Bank International Fund, which was launched in December 1989, continued to show solid results. This Fund was offered with two share classes, a Managed Currency Fund and an International Bond Fund. On its fourth anniversary, the returns to initial shareholders were 33.3% (8.3% p.a.) and 39.2% (9.8% p.a.) respectively. Both funds are conservatively managed but nevertheless have ranked in the top performance quartile for similar funds.

The bonded warehouse serving Arab Bank's customers in Jordan was completed during 1993. It will enable clients to defer payment of customs duty as long as they are not utilizing the bonded goods. It will also enable them to import larger quantities, thus saving on transactions costs.

Arab Bank employs highly qualified and experienced personnel. At the end of 1993, the number of employees were 4,134 in comparison to 3,910 in 1992, and the number of participants in training courses were 6,524 in comparison to 5,428 in 1992.

Special emphasis is placed on automation. Two new computer centers were established in 1993 in Madrid and Frankfurt; also, the computer equipment of the following centers was renewed: Amman, Sana'a, Rome, Singapore and Geneva. In addition to automating traditional banking services, the Bank continued to offer advanced computerized services in new locations.

Arab Bank branches in Aden and Madrid started full operations during the year in addition to several branches and offices in Jordan.

ARAB BANK (SWITZERLAND) LTD.

Arab Bank (Switzerland) Ltd. was constituted as an independent company in 1962 and has a recognized Swiss bank status. The Head Office is located in Zurich with a branch in Geneva. The Bank's 3,100 shareholders are identical to those of Arab Bank Plc.

Arab Bank (Switzerland) Ltd. is an enterprising, dynamic bank with a clear business concept combining Swiss tradition and standards of quality in private banking with a global perspective. It offers private banking services and has built an excellent reputation in the successful management of clients' assets.

Financial position

Total assets as of December 31, 1993 increased marginally to Sfr. 1,648.3 million. Interbank business as well as total outstanding overdrafts and fixed loans, which do not contain any perceptible risk, remained at about last year's level.

Investments in securities were increased, in particular medium-term bonds, by Sfr. 41.1 million to Sfr. 236.7 million.

The investment division expanded its portfolio management and investment counselling business. Fiduciary deposits decreased from Sfr. 4,732.2 million to Sfr. 4,056.9 million, mainly due to a shift of funds into higher yielding investments.

Results

Higher income from foreign exchange operations and a strict control of costs contributed to the satisfying net profit which, after depreciation and provisions of Sfr. 13.1 million (1992: Sfr. 12.9 million), amounts to Sfr. 16.6 million (1992: Sfr. 15.5 million).

Net commissions diminished from Sfr. 21.4 million to Sfr. 19.5 million, mainly due to lower earnings from fiduciary deposits.

ARAB BANK (AUSTRIA) AG

Arab Bank (Austria) AG was established in February 1987 in Vienna as a licensed Austrian commercial bank and commenced operations in May 1987. It is wholly owned by Arab Capital Investment (Luxembourg) SA, a wholly owned subsidiary of Arab Bank Plc. Arab Bank (Austria) AG provides a wide range of services to individuals, corporate and institutional clients, government agencies and other international financial institutions.

An increase of 17.2% in revenues coupled with strict control of expenses enhanced the results of Arab Bank (Austria) AG in 1993. Net income after tax increased to ATS 5.1 million from ATS 1.5 million, recording an increase of ATS 3.6 million or 241.6%.

The Bank was also successful in the management of its balance sheet. Overall growth, without contra accounts, was 8.5% and 11.0% after the inclusion of the off-balance sheet items. In anticipation of the decline in interest rates in the money market, investment in prime bonds was increased to ATS 135.3 million from ATS 34.9 million. The loan portfolio was also increased by 48.2% to reach ATS 38.3 million. Deposits and other accounts grew by 8.8% to reach ATS 2,251.6 million. The equity base of the Bank was enhanced by ATS 5.1 million, recording ATS 121.0 million.

ARAB AUSTRALIA LTD.

Arab Australia Ltd. is a merchant banking subsidiary of Arab Bank Plc established in 1986. In addition to the Sydney office, it has three suburban branches in Bankstown, Parramatta and Campsie. An application was submitted to the fully licensed commercial bank. After approval, the authorized and paid-in capital will be increased to AUD 50 million.

Continued on next page

BOARD OF DIRECTORS' 64TH ANNUAL REPORT

Continued from previous page

1993 was a good year for the Bank. Net income reached AUD 1.2 million, a significant improvement on 1992. This was the result of the Bank's increased retail activities to the Arab Community and its involvement in financing trade between Australia and the Middle East.

Total assets grew by 46.6% to reach AUD 128.3 million. The loan portfolio comprised 83.0% of the assets at the end of 1993; a majority of these loans are to the Arab Community residing in Australia. Deposits and other accounts reached AUD 107.5 million, thus recording a growth of AUD 29.6 million or 38.0%. Shareholders' equity was increased to AUD 20.9 million from AUD 9.7 million.

ARAB TUNISIAN BANK

Arab Tunisian Bank was incorporated in 1982. It provides its customers with a wide range of commercial and private banking activities. Arab Tunisian Bank has a material percentage of the banking business in Tunisia. The Bank has

25 branches located in all major cities and business centers in addition to its head office, which is situated in Tunis. Six branches were opened during 1993: Nahrwes (Hammamet), Le Kram, Ariana, Chorbene, Soussse Khezama and Sfax Grenda.

During 1993, Arab Tunisian Bank continued its solid performance. Total revenue grew by 19.3% to reach TUD 42.3 million. Net income after tax for the year reached TUD 5.1 million compared to TUD 4.6 million in 1992, representing an increase of 11.9%.

Total assets expanded to TUD 491.4 million from TUD 424.4 million. The Bank's balance sheet total including contra accounts was increased to TUD 666.3 million compared to TUD 598.4 million at the end of 1992. In harmony with the authorities' endeavours to achieve economic growth, the Bank increased its loan portfolio by 21.2% to reach TUD 293.9 million. Deposits and other accounts grew by 17.7%, reflecting the efforts of the management to expand its external sources of funds. Shareholders' equity including net income reached TUD 26.5 million compared to TUD 24.2 mil-

lion at the end of 1992.

In 1993, Arab Tunisian Bank was incorporated with a capital of TUD 6.0 million. It is controlled by Arab Tunisian Bank which has a participation of 55% of its capital. IDEE, a data processing company of Arab Tunisian Bank, which was incorporated in 1992, is now fully operational.

ARAB BANK AG

Arab Bank AG in Frankfurt, a wholly owned subsidiary of Arab Bank Plc, was incorporated in December 1992. The Bank started operations in April 1993 with a full commercial banking license and the ability to branch in the EC. Accordingly, it is expected that Arab Bank AG will play a significant role in promoting Arab European trade and economic co-operation. The Bank's authorized and paid-in capital is DEM 50.0 million. It provides its customers with a full range of banking services including investments and treasury products.

During its first six months of full operations, the Bank was

able to augment its assets to DEM 150.2 million and the balance of its letters of credit and letters of guarantee to DEM 55.6 million. At the end of 1993 the Bank's balance sheet including contra accounts reached DEM 205.8 million. The funds were mainly composed of DEM 102.2 million in deposits and other accounts and DEM 50.0 million in capital.

Total revenue for 1993 reached DEM 4.2 million, a loss of DEM 2.1 million being recorded for the year. The negative results are within the expectations of the management due to the limited period of operations as well as to the write-off of establishment expenses. There is strong evidence that the performance of the Bank in the coming years will be much better, taking into consideration the volume of its business and the good relations between Germany and the Arab world.

The Board of Arab Bank Plc takes this opportunity at the end of its term of office to express its appreciation to the customers of Arab Bank Group for their trust and confidence and to the staff for their loyalty and dedicated work.

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Mexico becomes OECD member

MEXICO CITY (R) — Mexico's President Carlos Salinas de Gortari said Thursday his country has joined the Organisation for Economic Co-operation and Development (OECD), also known as the "rich nations' club."

"Today, Mexico has joined one of the most important economic organisations in the world, the OECD," Mr. Salinas said in a speech at the presidential residence Los Pinos.

The surprise announcement was likely to give a much-needed boost to Mexico's economic stature, which has been battered by a peasant uprising in the southern state of Chiapas and Wednesday's assassination of ruling presidential candidate Luis Donaldo Colosio.

Mexico has been lobbying for some time to join the OECD, a Paris-based think tank whose members include the world's richest nations.

Mexico's inclusion will raise OECD membership to 25 states.

The last country admitted was New Zealand in 1973.

"Membership to the OECD will give Mexico greater presence among industrialised nations, particularly in Europe," Mr. Salinas said in a speech.

The OECD recently published a report on Mexico outlining the country's remarkable transformation from a mainly rural, commodity-exporting country in 1940 to the world's thirteenth largest economic power today.

"As of 1992, Mexico's per capita income — measured as purchasing power parity — is in the range of that of the lower-income OECD countries, such as Greece, Portugal and Turkey," it said.

There had been bumps along the way, not least in 1982 when Mexico defaulted on its external debt, setting off the whole Third World debt crisis, but the outlook was now bright, the report said.

OECD head of economic studies Stephen Potter said recently Mexico's success owed much to the balancing of the state budget under Mr. Salinas. In the 1980s the deficit reached the equivalent of 17 per cent of gross domestic product (GDP).

"This is an achievement unparalleled in OECD countries," Mr. Potter said.

That fiscal stabilisation, plus

the rescheduling of its external debt in 1989 and 1990, persuaded investors to return to Mexico, allowing growth to take off.

The world's biggest privatisation programme and trade reforms also played a part in the Mexican recovery, culminating in the North American Free Trade Agreement (NAFTA) with the United States and Canada which took effect Jan. 1.

Still, rural poverty, precarious employment conditions and addressed, the OECD said in its report.

Meanwhile, the United States set up a \$6 billion credit line for Mexico in a vote of confidence in the country following the assassination of its leading presidential candidate.

The so-called swap facility — which will be supplied equally by the Treasury Department and the Federal Reserve — is designed to help Mexico protect its currency from speculative attacks.

"We're prepared to try to help," President Clinton told a news conference.

He said that Mexico's institutions remain "fundamentally strong" despite the assassination.

Under the \$6 billion swap facility set up by Washington, the United States will swap dollars for pesos with Mexico so that the Latin American country has enough foreign exchange reserves to head off a run on its currency.

The swap will be unwound at some point in the future when pressure on the Mexican currency abates.

Vice President Albert Gore said Colosio's death would not stall the Mexican economy or harm NAFTA.

"I don't expect any of those things at all," the vice president said in an interview on NBC-TV.

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Under the \$6 billion swap facility set up by Washington, the United States will swap dollars for pesos with Mexico so that the Latin American country has enough foreign exchange reserves to head off a run on its currency.

The swap will be unwound at some point in the future when pressure on the Mexican currency abates.

Vice President Albert Gore said Colosio's death would not stall the Mexican economy or harm NAFTA.

"I don't expect any of those things at all," the vice president said in an interview on NBC-TV.

OECD head of economic studies Stephen Potter said recently Mexico's success owed much to the balancing of the state budget under Mr. Salinas. In the 1980s the deficit reached the equivalent of 17 per cent of gross domestic product (GDP).

"This is an achievement unparalleled in OECD countries," Mr. Potter said.

That fiscal stabilisation, plus

the rescheduling of its external debt in 1989 and 1990, persuaded investors to return to Mexico, allowing growth to take off.

The world's biggest privatisation programme and trade reforms also played a part in the Mexican recovery, culminating in the North American Free Trade Agreement (NAFTA) with the United States and Canada which took effect Jan. 1.

Still, rural poverty, precarious employment conditions and addressed, the OECD said in its report.

Meanwhile, the United States set up a \$6 billion credit line for Mexico in a vote of confidence in the country following the assassination of its leading presidential candidate.

The so-called swap facility — which will be supplied equally by the Treasury Department and the Federal Reserve — is designed to help Mexico protect its currency from speculative attacks.

"We're prepared to try to help," President Clinton told a news conference.

He said that Mexico's institutions remain "fundamentally strong" despite the assassination.

DM, yen trade in narrow ranges against the U.S. dollar

This report is submitted by Naser Nabulsi, private client group, Merrill Lynch-Dubai

Overview

Fundamental view: The Japanese yen and Deutschmark both traded in unusually narrow ranges against the dollar this week in the absence of unexpected news on key economic fundamentals. The yen is awaiting developments in the ongoing U.S.-Japan trade dispute. Prospects for large Japanese current account surpluses to persist suggest that yen strength will continue and possibly intensify over the coming year.

We maintain our six-month target of JPY/U.S.\$ 100 and our 12-month target of JPY/U.S.\$ 95. The DM is awaiting news on U.S. and German monetary policy developments. The 25 basis point hike in the U.S. federal funds rate on Tuesday and the eight basis point cut in the German repo rate on Wednesday were both widely anticipated and consequently had little impact on the DM/U.S.\$ exchange rate.

We expect the mark to depreciate to DM/U.S.\$ 1.80 in 12 months because we believe the decline in short-term German interest rates will exceed market expectations.

Technical view: In last week's comment we suggested that short term oscillators for the U.S. dollar index were oversold. This condition likely provided much of the ammunition for the most recent strength. For the week ended March 18 the index gained 0.7 per cent as the greenback rallied against each of the six major currencies that we most regularly monitor. Even though medium term oscillators are still weak (and are expected to remain so far a while longer), upwardly biased short term oscillators are no worse than neutral.

This suggests that last week's rally may have more life left in it. Once this strength runs out, we would look for renewed weakness to at least test the recent low at 93.62. If that low is broken, further weakness to the 92.80 area would not be surprising. Although important resistance still exists at 97.50-98.00, there is now interim resistance at 94.90-95.80.

Japanese Yen

Fundamental view: The yen continued to trade in a surprisingly narrow range near 106 JPY/U.S.\$ this week. The yen appeared insensitive to news regarding U.S. monetary developments. That is consistent with our position that growth and interest differentials have little impact on the yen at times, such as the present, when Japan's current account surplus reaches extreme levels. The market is focusing almost exclusively on U.S.-Japan trade frictions, and there has been no evidence of a change in U.S. dissatisfaction with progress to date despite a successful resolution of the cellular phone dispute.

Even if Japan agrees to satisfy most of the U.S. demands for market access, we still expect a current account surplus of nearly \$120 billion this year. That should help the yen to continue to trade in the JPY/U.S.\$ 100-110 range for most of this year. We expect the yen to reach a new high of JPY/U.S.\$ 95 in 12 months.

Technical view: The Japanese yen fell 1.0 per cent against the U.S. dollar last week. This currency has been on the defensive for a month, but medium term momentum remains constructive. Now that short term oscillators are bottoming, the currency is in position to resume its long term uptrend. Against this momentum background, sentiment indicators are still no worse than neutral. On balance, therefore, we continue to think that a challenge of the recent yen highs is still likely. In that regard, a rally much through 101 JPY/U.S.\$ would allow for at least 98. Benchmark support remains 113-114, but intervening support at current levels and again at 109-110 should be more important reference points in coming weeks.

Deutschmark

Fundamental view: The Deutschmark continued to trade in a narrow range near DM/U.S.\$ 1.69 this week, awaiting news of monetary developments in the U.S. and Germany. The 25 basis point hike in the U.S. federal funds rate on Tuesday and the eight basis point cut in the German repo rate on Wednesday were both widely anticipated and consequently had little impact on the DM/U.S.\$ exchange rate. A more dramatic Bundesbank policy move, such as a discount rate cut, appears to be constrained by M3 growth well above the target range. Favourable news on M3 is unlikely in the near term, dimming prospects for a discount rate cut and a sharp weakening in the DM.

But we expect the mark to depreciate to DM/U.S.\$ 1.80 in 12 months because we believe the decline in short-term German interest rates will exceed market expectations.

Technical view: The Deutschmark lost 0.6 per cent versus the U.S. dollar during the week ended March 18. While medium term momentum remains constructive and sentiment is only neutral, short term momentum is turning down from an overbought condition. Thus, even though there should still be more life left in the rally from the February lows, immediate pressures should be to the downside. The former resistance at

1.694-1.704 DM/U.S.\$ should now act as support; beyond that, we would look for something closer to 1.72.

A rally back through 1.679 would allow for 1.65-1.66. The mark/yen cross spent last week trading in the 62-63 range. While short term momentum now peaks, medium term oscillators remaining down, and 62.50-63.00 continuing to act as both chart and momentum resistance, the post-February rally may well have peaked. With downward pressures mounting, a break below 59 would nominally set the stage for 55.

Pound Sterling

Fundamental view: The British pound continued to fall against the Deutschmark this week to DM/GBP 2.51, weighed down by speculation about a near-term interest rate cut to mitigate the impact of April tax hikes. The pound is now 11 pfmms below its recent early-January peak versus the DM. Recent data indicate weakness in retail sales and consumer sentiment, but surprising strength in the labour market should help to maintain consumer confidence.

We expect the pound to rise to DM/GBP 2.70 in 12 months as short-term DM interest rates fall by 150 basis points compared to little or no fall in sterling rates. The pound continues to trade at U.S./GBP 1.49. We expect the pound to depreciate to U.S./GBP 1.46 in 12 months as short-term dollar interest rates modestly.

Technical view: The British pound declined 0.6 per cent versus the U.S. dollar last week. Sentiment is now neutral and with medium term momentum continuing to offer little definition, the top in short term oscillators takes on added importance. While a move back to 1.48-1.49 /U.S.\$ or lower would not be surprising, our longer term parameters remain unchanged.

A decisive breakdown from the trading range (i.e., below \$1.46) would allow for at least a test of the 1993 low near \$1.43 and possibly long term support at \$1.40-\$1.42. The \$1.50-\$1.51 range is the viewed as first resistance. A rally through second resistance at \$1.55 would set the stage for a challenge of the long term benchmark at \$1.60. The DM cross-rate dropped to a new 1994 low last week. Both short and medium term momentum oscillators are now weak. Support is at 2.50-2.51. Resistance has been lowered to 2.56-2.57.

Arab fund lends Syria \$87m for power

DAMASCUS (R) — The Arab Fund for Economic and Social Development has agreed to lend Syria 30 million Kuwaiti dinars (\$87 million) to finance an electricity project.

Abdul Latif Al Hamad, board chairman and director-general of the Kuwait-based fund told Reuters the loan, to help Syria overcome power shortages, had a soft interest rate of 3.5 per cent. It is repayable in 20 years with a five-year grace.

Sheikh Hamad and Syrian minister of state for planning signed the accord at a ceremony in Damascus.

Officials said the money would help finance construction of three gas-fired electricity generation units in the Zaytoon area near the central city of Edlib, some 300 kilometres north of Damascus.

The \$126-million project has already been awarded to Italy's Fiat group and construction is to start shortly. It will be completed in 16 months, with the first unit going into commission two months earlier.

The project is part of a \$1.3 billion scheme the government has launched to build new generation capacity of about 1,800 megawatts "to meet a shortage which forced power cuts of around six hours a day. Rationing was reduced recently to around 10 hours a day."

China shaken by labour disputes in '93, report

BEIJING (AP) — More than 10,000 labour disputes buffeted communist China last year, forcing the government to launch a nationwide inspection of factory working conditions, an official report has said.

The campaign is a sign of grave government concern that growing labour unrest could threaten social stability and the Communist Party's grip on

political power. There have been occasional reports of labour unrest, and the government has acknowledged that working conditions must improve at factories.

Two strikes over pay were reported last year at Japanese owned-factories in southern China. Official media has reported on alleged mistreatment of Chinese employees by

foreign managers, particularly those from neighbouring Taiwan and Hong Kong.

China Daily quoted the labour ministry saying the number of labour disputes soared last year.

The newspaper cited a China electronic news report saying there were more than 10,000 labour disputes last year. It reported 2,353 disputes in the southern boomtown of Shenzhen in the first six months of 1993.

China Daily provided no information on the nature of the disputes other than to cite as an example a joint venture hotel in Shenzhen that owed 238,000 yuan (\$27,300) in back salaries to employees.

The inspection tour of factories will run from April through June, the report said.

HOROSCOPE

FORECAST FOR SATURDAY MARCH 26, 1994

By Thomas S. Pierson, Astrologer, Carroll Righter Foundation

GENERAL TENDENCIES: Triple moon aspects from early AM till late afternoon make this a good period for getting together with progressive friends who can give you interesting ideas on how to advance in your line of endeavour.

ARIES: (March 21 to April 19) Attending to routine chores early in the day will give you more time to be with congenial friends and loved ones later. Cooperate more with others.

TAURUS: (April 20 to May 20) Your lunches are not good early in the day but later they are most helpful. Join good friends for recreational purposes and have a good time.

GEMINI: (May 21 to June 21) Make plans to have more income in the days ahead. Take time to improve your appearance and you can easily impress others especially higher-ups.

MOON CHILDREN: (June 22 to July 21) You can now plan how to have added abundance in the future. A wisest attitude toward a loved one brings excellent results to you.

LEO: (July 22 to August 21) Study the amount of effort needed to gain an important goal. Show that you will go to any length to please the one you love with much affection.

VIRGO: (August 22 to September 22) Handle any civic duties ahead of you early in the day and

later you can enjoy the social side of life. Be happy and active in any endeavour.

LIBRA: (September 23 to October 22) Look over your surroundings and make plans for improvement. Be sure to control your temper at all times or you could hurt the ones you love.

SCORPIO: (October 23 to November 21) Plan how to complete your regular chores with fewer interruptions and more efficiency. Study statements for possible errors in your favour.

SAGITTARIUS: (November 22 to December 21) You could easily make a costly mistake where finances are concerned so be on the alert. Engage in your favourite hobby and find much happiness.

CAPRICORN: (December 22 to January 20) You may find it hard to get things done early in the day, but later you can make up for lost time. Strive for increased happiness and harmony.

AQUARIUS: (January 21 to February 19) Get an early start on the tasks you have to do instead of complaining and you get fine benefits from it in the long run. Be logical in your thinking.

PISCES: (February 20 to March 20) Others around you may seem pessimistic about the future, but don't let this influence you. Maintain a cheerful manner in face of any adversity.

Paris Club agrees to cut Ivory Coast debt in half

PARIS (R) — The Paris Club of official creditor nations has agreed to cut Ivory Coast's debt in half, the French economy ministry said Friday.

Ivory Coast has total external debt of some \$21 billion, making it the world's most indebted country in per capita terms.

The Paris Club accord follows an agreement between the West African nation and the International Monetary Fund (IMF), on economic reforms.

The agreement to cut the debt in half — so-called Trinidad terms of debt relief — is better than Ivory Coast might have expected. It is ranked as a

middle-income country, while Trinidad terms are usually offered only to the poorest countries.

France however had promised at the time of the devaluation of the CFA franc in January to press for the best possible terms of debt relief for franc zone countries, particularly middle-income countries.

Less than half the external debt is owed to official creditors represented by the Paris Club, according to the latest World Bank figures available.

The economy ministry said the Paris Club met on March 23 to discuss Ivory Coast's debt. The French treasury acts as secretary to the Paris Club.

"(Paris Club members) welcomed the implementation, with the support of the International Monetary Fund, of an economic adjustment programme and took note of the very weak per capita income in Ivory Coast and the very big cost of its debt, justifying, in this case, exceptional treatment in terms of debt restructuring," the ministry statement said.

The restructuring will be designed to cut the net present value of the debt by 50 per cent. Creditor nations also agreed to meet in three years' time to discuss Ivory Coast's stock of debt.

Prices soar following Saudi ban on satellite dishes

RIYADH (AP) — The price of satellite dishes has more than doubled in this conservative Muslim kingdom ever since the government imposed a ban on them earlier this month.

Shopkeepers who continue to clandestinely install the dishes are charging more than 7,000 riyals (\$1,866), compared to a pre-ban cost of 3,000 riyals (\$800) for a simple dish.

The price of receivers, which are needed to decode reception signals into images and sound, have also skyrocketed from \$50 riyals (\$277) to 1,500 riyals (\$400) for a U.S.-made brand.

Although the March 10 ban threatened violators with fines of up to 500,000 riyals (\$133,000) and confiscation of their equipment, it did not specify whether compliance was retroactive.

Even before the ban satellite dishes were never officially sanctioned, but thousands were sold.

Most hotels, housing complexes and individual homeowners have yet to comply with the ban. Some houses have two or three dishes installed on rooftops to pull in more than 100 stations from around the globe.

Even before the ban, many owners had been hiding the dishes inside brick walls or under sheets of tarpaulin for fear of the "muttawa," the volunteer religious police, which considers them to be un-Islamic.

The so-called "keepers of

the faith" went around smashing dish antennas on private apartment blocks in the capital to stop what they saw as a cultural invasion from the skies.

In this conservative kingdom which is ruled by Islamic laws, the state-run television even cuts out scenes of couples

holding hands from foreign films.

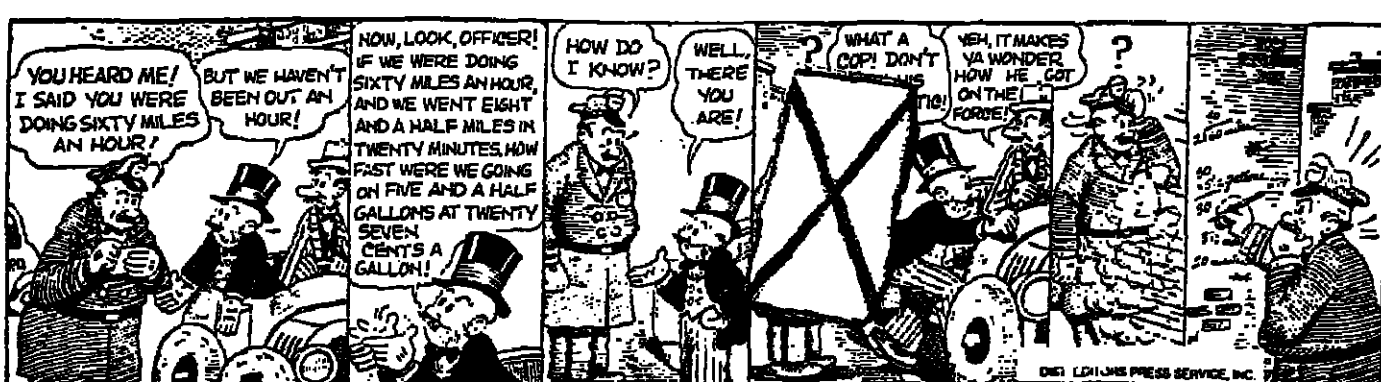
The ban by the council of ministers outlawed the import, manufacture or installation of satellite dishes.

It announced plans for a cable system to ensure what is watched by Saudis "conforms to religious and social values."

Peanuts



Mutt'n'Jeff



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GINES
RAFOL
INREET
MYSLOB



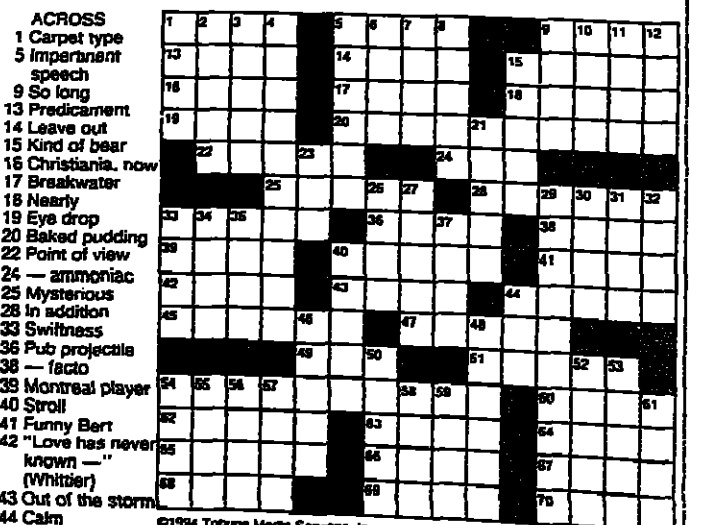
WHEN HIS COFFEE WAS SERVED COLD IT LEFT HIM --

Print answer here:

Yesterday's Jumbles: BANAL COLON SPLEEN IMBUE
Answer: What did the janitor do when he won the lottery? — HE CLEANED UP

THE Daily Crossword

by George Urquhart



ACROSS
1 Carpet type
5 Important speech
9 So long
13 Precipitant
14 Leave out
15 Kind of bear
16 Christiania, now
17 Breakwater
18 Nasty
19 Eye drop
20 Baked pudding
22 Point of view

AVIS

We try harder.

SAS

☎ 699-420

40,000 ANC supporters march through violence-hit Durban

DURBAN, South Africa (Agencies) — At least 40,000 ANC supporters converged on the centre of Durban Friday to demand the right to vote in violence-racked Natal province in South Africa's first all-race elections next month.

The mainly Zulu crowd, carrying traditional weapons like clubs, sticks and spears, shouted their defiance at Zulu Chief Mangosuthu Buthelezi and Inkatha Freedom Party which is refusing to take part in the polls.

Sporadic shots rang out as people streamed into Durban's Currie's Fountain Stadium under the watchful eyes of hundreds of police and peace monitors.

More than 10,000 people have died in political violence over the past 10 years in Natal, mainly in fighting between Inkatha and Nelson Mandela's African National Congress (ANC).

ANC officials told Reuters they might have problems controlling the crowd if confronta-

tions broke out with Inkatha supporters during the march.

ANC marchers were handed over a memorandum to officials of the multi-party Transitional Executive Council (TEC) demanding free political activity in Natal and the KwaZulu homeland within it. The TEC is overseeing the run-up to the elections.

South African troops on foot and in armoured vehicles paraded Inkatha areas of townships around Durban to ensure ANC supporters were not prevented from boarding buses taking them into the Indian Ocean port city.

Durban remained gripped in the fear of an outbreak of violence as shops closed before midday (1000 GMT) and children were sent back home after morning classes.

President Frederik De Klerk told reporters in Johannesburg Friday that he had set a meeting with Mr. Buthelezi, but would not give the time or venue, saying he wanted to keep discussions private and

serious.

A government spokesman said the meeting would be kept secret to allow for "relaxed discussions."

In addition to the Zulu traditional weapons, the ANC supporters carried posters.

Some posters denounced Mr. Buthelezi as a "traitor" and demanded that he allow free political activity in the KwaZulu homeland, of which he is the chief minister.

More insulting were banners attacking Zulu King Goodwill Zwelithini, whose proclamation last week of Natal-KwaZulu's sovereignty and call for a boycott of the polls raised temperatures and resulted in at least 100 deaths in six days.

One poster showed the 46-year-old monarch wearing nappies (diapers), implying that he is still a baby.

The early morning calm of this port city, where there was no trace of a rumoured IFP counter-demonstration, began to be disrupted as the crowd gathered, although the num-

bers by midday (1000 GMT) were lower than the 50,000 predicted by the ANC.

Mr. Buthelezi told Johannesburg's private Radio 702 Station that there would be no IFP counter-rally because "we never planned one."

He added, however, that "many lives have been lost" in the past few days and that he was "worried this may exacerbate the situation."

"There is a lot of tension and volatility in the region," he said — compounded here by the overnight killings of seven people in Natal-KwaZulu, four of them in and around Durban, according to police.

Mr. De Klerk said Thursday night that he would send military reinforcements to Natal and hinted at the possibility of declaring a state of emergency if the situation deteriorated.

Hearing Judge Krieger's report made him realise that the picture in Natal-KwaZulu was "more negative than my original impression," he said.



Ernesto Zedillo (left) coordinator of the political campaign of Luis Coloso for the Mexican presidency helps carry his casket. Mr. Coloso was assassinated at a campaign rally and Mr. Zedillo is considered to be one of the front-runners for the candidacy of president (AFP photo).

Mexican presidential candidate slain

MEXICO CITY (R) — Mexico prepared Friday to bury slain ruling party presidential candidate Luis Donaldo Coloso while national leaders took steps to shore up the country's sagging image.

Mr. Coloso's body was to be sent to his birthplace of Magdalena de Kino in the northern state of Sonora for burial following a day in which thousands here paid tribute to the man whose quest to succeed President Carlos Salinas De Gortari was cut short by an assassin's bullet.

As the Coloso drama unfolded, Mr. Salinas, in a surprise announcement sure to temper growing fears about Mexico's economic and political stability, said Mexico had achieved its long-standing goal Thursday of joining the Organisation for Economic Cooperation and Development (OECD), an exclusive club of some of the world's richest nations.

"Membership of the OECD will give Mexico greater presence among industrialised na-

tions, particularly in Europe," Mr. Salinas said in a speech at the presidential residence of Los Pinos, stressing his country's determination to overcome the worst political assassination here in half a century.

Mr. Coloso, the 44-year-old candidate for the long-ruling Institutional Revolutionary Party and widely seen as a sure bet to win August elections, was shot Wednesday after a campaign rally in a poor area of the border city of Tijuana.

He was hit with a bullet to the head and another to the stomach and died three hours later while undergoing surgery.

Police said at least 10,000 people walked past Mr. Coloso's flower-strewn silver coffin while it lay in state Thursday in a funeral home here.

In Tijuana, Attorney General Diego Valadez said the prime murder suspect, Mario Aburto Martinez, 23, admitted he was the killer. But gave no motive.

Mr. Aburto was transferred

to a maximum security prison near Mexico City Thursday night, Mr. Valadez said.

Mr. Aburto told investigators he bought the handgun several weeks ago with the intention of killing Mr. Coloso, Mr. Valadez said. Mr. Aburto, a mechanic born in the poor southern state of Michoacan, put his gun up against the side of Mr. Coloso's head before firing the first, fatal shot, he added.

A PRI spokesman told Reuters it was likely the party would wait to select a candidate to replace Mr. Coloso until after the Easter holidays.

The Mexican Congress, in a special session Thursday, approved a constitutional change to end the long-standing PRI domination of Mexico's main electoral bodies.

The change, aimed at ensuring cleaner elections, cleared the way for non-partisan citizens to form a majority on such bodies.

Catacomb found after building floor collapses

ROME (AP) — Workers repairing the collapsed floor of a basement stumbled on a piece of Rome's subterranean history: A catacomb, replete with skulls and bones. The Christian burial chamber, estimated to have originated from the third or fourth century, contains about 200 metres of corridors and lies about 10-12 metres underground, officials said.

A Vatican archaeologist, Fabrizio Bisconti, inspected the area Thursday. The 2-metre wide (6.6-foot) hole opened up two days earlier during reconstruction work on a building on Via Latina, near the famed Appian Way in an area rich in archaeological remains. Firefighters evacuated about 100 residents from the building. Mr. Bisconti said the barren corridors were lined with sealed burial niches, typical of public catacombs of the period, according to the Italian News Agency (ANSA). Some of the burial niches appeared to have been violated, probably during the early Barbarian invasions of Rome or around 1600, when the bones of martyrs were removed to be revered as relics, he said. Rome has hundreds of miles (kilometres) of ancient catacombs. Burial inside the ancient imperial city was banned, so the early Christians interred bodies in underground chambers outside the city limits.

Mortar wounds 2 U.K. troops in Bosnia

VITEZ, Bosnia (Agencies) — A mortar shell believed to have been fired by Serb forces wounded two British soldiers in the central Bosnian town of Bugojno Friday, U.N. sources said.

They said the soldiers, with the U.N. Protection Force in Bosnia, were evacuated to the British U.N. hospital in nearby Vitez, one was believed to have suffered a broken leg.

Meanwhile, Croat and Muslim civilians crossed front lines in central Bosnia to visit separated loved ones at home Friday for the first time in more than a year, witnesses said.

It was the latest chapter in a gradual peace process following a U.S.-brokered Croat-Muslim agreement to set up a bi-national Bosnian Federation, building on a ceasefire that entered its second month Friday.

"One hundred people from each side went over now calm truce lines outside the government-controlled town of Travnik to spend up to 48 hours with relatives and friends from whom they had been separated by vicious communal warfare."

The self-proclaimed Bosnian Serb Republic has refused to join a Muslim-Croat Federa-

tion and rejected any talks on an overall peace settlement until U.N. sanctions on Serbia are lifted.

The decision by the self-styled state's parliament Thursday, which was expected, follows the hijacking and looting of a U.N. aid convoy by Bosnian Serbs who forced the Danish drivers to walk across what the Serbs said was a minefield.

The hijacking was the most audacious in a series of provocations by local Serbs against U.N. peacekeepers since the threat of NATO air strikes forced them to withdraw or hand over their siege guns overlooking Sarajevo last month.

In separate development, the Foreign Ministry of rump Yugoslavia voiced concern Friday at a U.N. Security Council decision to send Turkish troops to Bosnia-Herzegovina.

It issued a statement saying that by using Turkish soldiers, U.N. Secretary General Boutros Ghali "is not contributing to peace but is complicating the situation and opening up the possibilities of a rekindling of the conflict."

It said history and the Turkish position on the Bosnian crisis were "sufficient reasons"

against any sort of Turkish military presence in ex-Yugoslavia.

Meanwhile 120 Russian paratroopers left their base at Ryazan south-east of Moscow for the Bosnian capital Sarajevo, where 400 Russians are already deployed.

The Russian contingent is to help guard the airport there, the front line between Serbs and Muslims, and heavy weaponry surrendered to the U.N. Protection Force.

In a related development, Greek Prime Minister Andreas Papandreu said the U.N. decision was "unbelievable."

An army that invaded and occupies the northern part of Cyprus cannot be used for peaceful means, Mr. Papandreu said in Athens during a military parade marking the 173rd anniversary of the start of the Greek revolt against the Ottoman Empire.

"It is through the United Nations that Turkey is re-entering, militarily and politically, the Balkan area and this will be a destabilising force," Greek Defence Minister Gerassimos Arsenis told Reuters in an interview.

He likened the U.N. Security Council decision to hiring "a wolf to watch the sheep."

Lost U.K., Hong Kong troops found alive in Borneo

KOTA KINABALU, Malaysia (R) — Five British and Hong Kong soldiers missing for four weeks on South East Asia's highest mountain have been found alive, Malaysian and British officials said Friday.

A helicopter crew winched two of the soldiers safely out of a mile-deep (1,600 metre) gully on the 4,011 metre (13,155 feet) Mount Kinabalu, a spokeswoman for the British High Commission (embassy) in Kuala Lumpur said.

The three others could be rescued by dark, she added.

A Malaysian helicopter found the men around 10 a.m. (0200 GMT) after an intensive search involving an elite British Air Force team and hundreds of Malaysian soldiers and park rangers.

The spokeswoman said three of the missing soldiers were seen standing and two were lying down in rough terrain near a waterfall at the bottom of Low's Gully, named for the man who first reached the peak of Kinabalu in 1851.

"All five are alive but very weak," she said. "Medical supplies, blankets and food have been dropped to them."

A medical officer was lowered by helicopter to the survivors near the bottom of Low's Gully, a treacherous mile-deep (1,600 metre) canyon down which the soldiers had abseiled.

Emergency teams were standing by at a hospital in Kota Kinabalu, capital of Malaysia's north Borneo state of Sabah, about 160 kilometres from the mountain.

The missing soldiers are Lieutenant-Colonel Robert Neill, 46, and Major Ronald Foster, of Britain, and Lam Ywai Ki, 27, Chen Wei Keung, 24, and Cheung Yiu Keung, 32, junior non-commissioned officers in Hong Kong's Royal Logistic Corps.

They were part of a 10-man team who had started a training expedition on Mount Kinabalu on Feb. 22.

Australian premier announces new cabinet

CANBERRA (AFP) — Australian Prime Minister Paul Keating announced a far-reaching government reshuffle Friday, promoting a prominent feminist who is seen as his possible successor.

Carmen Lawrence, former West Australian premier, was appointed minister for human services and health and as the minister assisting the prime minister for the status of women.

She took over the Health Ministry from Graham Richardson, a powerful member of the ruling Labour Party, who quit politics Thursday and said he saw Ms. Lawrence as a having a chance to become Australia's first woman prime minister.

Ms. Lawrence, 46, had a "fair show" of leading the Labour Party after Keating. "There's no doubt about that," Mr. Richardson told a radio interviewer. Adding that Mr. Keating would remain for another three to four years unless he was "hit by a bus."

She has denied that she wants the prime minister's job, saying last week: "Absolutely not because who knows how I will go — I might be a complete failure."

Ms. Lawrence served as state premier for three years until her government was swept from office a year ago in a tide of corruption scandals that left her untainted.

She favours pressing ahead with plans initiated by Mr. Richardson to increase spending and restructure health services for the country's 265,000 aborigines.

"That is a high priority for the Labour Party," she said.

Brendan Nelson, president of the Australian Medical Association, said this week that he expected a minimum 100 million Australian dollars (\$71 million) would go to aboriginal health service provision in the May 10 budget.

Sihanouk calls for fresh talks with Khmer Rouge

PHNOM PENH (AFP) — Cambodian King Norodom Sihanouk has called for fresh dialogue with the Khmer Rouge following his country's offensive against their stronghold at Pailin, his foreign minister said Friday.

Prince Norodom Sirivudh, speaking after his return from Beijing, where he visited the king, said King Sihanouk was "in fine form" as he recovered from prostate cancer surgery in the Chinese capital.

The prince said of the Khmer Rouge: "We should not close the door on them. We have to give them the chance to return to the international community" and Cambodia should avoid "putting their backs to the wall."

"We have tried the policy of the carrot, of the open door and then that of the stick, but now we have to allow the Khmer Rouge the opportunity to come forward to talk," he added, describing his discus-

sions with the king.

He said King Sihanouk was "a little worried" about the government offensive launched on Pailin, in northwest Cambodia, earlier this month, and particularly about the ability of Phnom Penh to keep control of the area.

"His concern is justified, and I therefore have messages" for Co-Prime Minister Prince Norodom Ranariddh "about His Majesty's thoughts on Pailin," Prince Sirivudh added.

He said China, an ally of the Khmer Rouge from 1970 until the Paris peace accord of 1991, "thinks it is not at all appropriate to involve itself in a little war" against the rebel movement.

The dialogue between Cambodia's government and the Khmer Rouge has all but broken down, as the guerrillas refuse to lay down their arms and allow access to territory under their control as called for under the peace pact.

Russia plane crash black boxes sent to Germany

MOSCOW (AFP) — Two black boxes from the Russian airliner which crashed in Siberia this week with the loss of all 75 people aboard have been sent to Germany for decoding, the Sevodnya newspaper reported Friday.

It said Russia lacked the necessary equipment to read off the flight recorders of the type of plane involved, an Airbus A310. There were only five such planes in the country, Sevodnya said.

One black box contains radio traffic, the other technical flight information. Specialists at the German airline Lufthansa would examine the recordings, the paper said.

ITAR-TASS news agency said the boxes were sent to a special facility in Berlin.

"Only after examination of the boxes could the reason be clear," he said. "It is an absolutely unusual crash. Everyone wants to know what happened."

Miscommunication possible in U.S. military plane crash

FAYETTEVILLE, NC. (R) — The commander of Pope Air Force Base where 20 paratroopers were killed by fiery debris from a mid-air collision said Thursday that human error and miscommunication were among possible causes of the tragedy.

Brigadier-General Bobby Floyd and other officers emphasised, however, that a definitive reason for the crash could not be determined until after a formal investigation.

A U.S. Air Force F-16D jet fighter exploded after colliding with a C-130 Hercules transport carrier, raining fiery debris that ignited a third grounded plane just as army paratroopers were about to board for a jump exercise.

"Obviously there was some type of miscommunication between the aircraft just before they crashed," Gen. Floyd said Thursday during an interview with ABC Television's Good Morning America.

Asked whether he was link-

ing the communication problem to human error, Gen. Floyd said: "Well obviously that is one thing the investigation will have to determine. But it obviously looks that way."

The death toll resulting from Wednesday's mid-air collision at Pope Air Force Base rose to 20 and the number of injuries caused by falling debris stood at 84, officials said.

All of the dead and injured were army personnel serving at Fort Bragg, and all of the aircraft belonged to neighbouring Pope Air Force Base. They share a military installation about 60 miles (95 km) south of Raleigh, the state capital.

Safety officials at Pope Air Force Base said its "higher headquarters," the 9th Air Force at Shaw Air Force Base, North Carolina, had formed a safety investigation team that would take over by Thursday evening.

"This is the actual board that's going to do the safety investigation," Lieutenant-Colonel Glen Williams, the

23rd Wing chief of safety stationed at Pope Air Force Base, told Reuters in a telephone interview.

An investigative team outside of the unit involved is formed whenever mishaps involve serious injury or death, or substantial monetary loss.

The investigation should take about 30 days and through computer simulations would determine which carrier struck first and the exact angle of impact, Col. Williams said.

He led an interim investigative team responsible for collecting evidence to hand over to the outside team.

Investigators have taken statements from witnesses just after the crash and "impounded anything and everything that is at all involved with preparing the aircraft to fly," Col. Williams said. Including training records of pilots, air traffic controllers and maintenance personnel.

He would not comment on any of the date gathered.

"Anything I would tell you would be... speculating... I

Antarctic huskies return to ancestral home

MONTREAL (R) — The last of the Antarctic Eskimo Huskies, which are being removed from the frozen continent they helped explore, are returning home to their ancestral habitat in the Arctic. Seven sled dogs left here Thursday for Hudson Bay, from where they will mush 373 miles (600 kilometres) north of their final destination. The Inuit village of Inukjuak, said members of an international mission called "home for the Huskies." Their odyssey has taken them from Antarctica to the Falkland Islands on a Royal Air Force transport plane and to Boston via London on a British Airways jet. The Huskies, direct descendants of dog teams taken to Antarctica from Labrador and Greenland 50 years ago, are being removed because their continued presence is thought to pose a threat to the continent's fragile ecology. The Antarctic treaty countries agreed in an environmental protocol in 1992 that all non-indigenous species of animals had to be removed by April this year. The British Antarctic Survey, owners of the last remaining dog teams, agreed to give the Huskies to an Eskimo (Inuit) community to help keep their traditional way of life alive. The purebred dogs will strengthen the diminishing gene pool of Eskimo Huskies form of arctic transport that has been undermined by the snowmobile, members of the expedition said.



Martinez refuses to be upset victim in Houston

HOUSTON, Texas (R) — Top seed Conchita Martinez refused to become the latest upset victim at the \$400,000 Virginia Slims of Houston Thursday when she beat fellow Spaniard Angeles Montolio in the quarter-finals.

Martinez, one of only three seeds remaining, rebounded from a 2-0 deficit, then lost only two more games for a 6-3 victory.

Montolio, a qualifier, had stunned fifth seed Lindsay Davenport in the second round Wednesday, a day on which second seed Martina Navratilova and third seed Magdalena Maleeva were also upset by qualifiers.

"It just depends on how you're playing that day and on your opponent," Martinez said about all the upsets. "I like a clay-court. I know I play my best on this surface."

Martinez, the defending champion, has not lost a set

here. Against Montolio she played an aggressive game, mixing her devastating ground strokes with some well-timed net play.

Martinez came into the set only 13 times, but won nine of those points.

"I tried to be aggressive, but it was difficult because she was putting topspin on the ball," Martinez said. "I had to play high balls, and wait a moment for my forehand."

The 18-year-old Montolio — who has a compact body and powerful style similar to world number two Arantxa Sanchez Vicario, also of Spain — made 35 unforced errors in her first WTA tour event.

Asa Carlsson of Sweden, a wild card entrant, defeated Germany's Wiltrud Probst 6-4

6-3 and American Sandra Cacic beat Meike Babel of Germany 7-5 4-6 6-2 in second-round matches. Cacic is the only American left in the field.

Russians slip and slide to world ice dance gold

CHIBA, Japan (AFP) — A spectacular fall failed to stop the emerging Russian team of Oksana Gritschuk and Evgeny Platov from adding the world ice dancing title to their gold medal from the Lillehammer Olympics.

Platov slipped and slid while dancing to "Rock Around The Clock" in the early part of the four-minute free dance at the World Figure Skating Championships here.

But the 26-year-old Moscow student sprang back up to resume rocking and rolling, slowed down to a bluesy tune and came back to the rock number to earn top marks from seven of the nine judges.

Technical points ranged from 5.5 to 5.8 out of a possible six for the couple, third at the 1992 championships and second last year, while they earned five 5.9's and four 5.8's for artistic impression.

The French team of Sophie Moniotte and Pascal Lavanchy, fifth at the Lillehammer Winter Olympics, took the silver medal although two judges placed them above the Russian

team in the free dance, which accounted for a half the total score.

The bronze went to Finland's Susanna Rahkamo and Petri Kokko, fourth at the Olympics.

The top three order remained unchanged throughout the three stages of the ice dancing event — the compulsory dances, the original programme and the free dance.

Another Russian team of Maia Usova and Alexander Zhulin, who won the silver at Lillehammer, stayed home.

Britain's Jayne Torvill and Christopher Dean retired from competition this year after winning the Olympic bronze.

Meanwhile, Japan's Yuka Sato edged out Surya Bonaly of France in the technical programme Friday to lead the depleted women's competition.

Canada's Josee Chouinard, ninth at the Lillehammer Olympics, was third.

Sato, a 21-year-old Tokyo student, fourth last year and fifth at the Lillehammer Olympics, produced a difficult com-

bination of a triple Lutz and a double toe loop, a double axel and a double flip.

Bonaly, 20, landed the same combination and jumps and topped off her programme with her signature Biellmann spin.

Sato and Bonaly were each given top places by four of the nine judges while another judge, a Canadian, ruled Chouinard was the best in the field.

Sato came out on top because five judges placed her in second spot while two judges place Bonaly in second.

Olympic bronze medalist Chen Lu of China, who pulled out of the championships Friday due to a serious stress fracture of her right ankle, said she would have endured the pain if she had been taking part in the Olympics.

The women's contest had already been shunned by defending champion Oksana Baiul of Ukraine, who won the gold at Lillehammer, and runner-up Nancy Kerrigan of the United States.

Sonics beat Suns; Knicks clinch playoff spot

SEATTLE, Washington (R) — Detlef Schrempf scored a season-high 27 points as the Seattle SuperSonics beat the Phoenix Suns 116-106 Thursday in a battle between this year's best of the West and last year's.

Gary Payton added 21 points and Shawn Kemp 18 for Seattle, which won for the 12th time in its last 15 games and improved to an NBA-best 49-17.

Charles Barkley had 25 points and 10 rebounds to lead the 43-23 Suns, last season's Western Conference champions who lost for only the third time in their last nine games.

Seattle erupted for 41 second-quarter points and led 78-55 at the half. The Sonics shot 71 per cent from the field in the first half, connecting on 36 of 51 attempts.

Seattle led by as many as 27 points with 9:07 left in the third quarter, then held on as Phoenix came as close as 105-99 with 4:00 remaining — but no closer.

At Minnesota, Hubert Davis, starting in place of the injured John Starks, pumped in a career-high 32 points as the New York Knicks won their 11th straight game and clinched a playoff berth, downing the Timberwolves 123-106. The Knicks joined Atlanta

as the only teams to clinch playoff spots in the Eastern Conference.

In Houston, Hakeem Olajuwon scored 15 of his 37 points in the fourth quarter and finished with 11 rebounds and six blocks to lead the Rockets to a 113-107 win over the Lakers in Los Angeles' final game before Magic Johnson takes over as head coach.

Assistant Bill Bertka served as head coach in Los Angeles' win at Dallas Wednesday and Thursday's loss to Houston as the Lakers dropped a full six games behind Denver for the final Western Conference playoff berth.

In Denver, Mahmoud Abdul Rauf scored 25 points before joining the other starters on the bench as the Nuggets cruised past the Miami Heat 113-101.

The Nuggets have won five of their last six games.

In Sacramento, David Robinson had 38 points, nine rebounds, six blocks and five assists to lift the San Antonio Spurs to a 107-91 win over the Knicks.

At Golden State, Avery Johnson hit a driving layup with six seconds remaining to lift the Warriors to a 114-112 triumph over the Milwaukee Bucks.

Chris Mullin and Latrell Sprewell each scored 25 points

and Chris Webber added 21 for the Warriors, who won their third straight game and 10th in a row at home.

At Washington, Dee Brown scored seven of his career-high 38 points in overtime, leading the Boston Celtics to a 123-117 victory over the Bulls.

Brown, who played 52 of a possible 53 minutes, was 15-of-26 from the field, including 3-of-3 from 3-point range, and 5-of-6 from the line.

Dino Radja added 20 points for Boston, which snapped its six-game losing streak and won for only the third time in its last 22 games.

Washington lost for the seventh straight time.

Bustami wins his 2nd Okifax National Rally

By Roufan Nahhas
Special to the Jordan Times

AMMAN — Jordanian rally driver Bashar Bustami confidently drove his Ford Sierra Cosworth to the finish line early Friday, to retain his title as champion of the Okifax National Rally, the first of the season's events organised by the Royal Automobile Club of Jordan (RACJ).

Bustami and co-driver Malek Hariri took the leading position of the rally with a time of one hour, 21 minutes and 23 seconds.

Amjad Farah and co-driver Faisal Sadoon came in second in their Toyota Corolla with a time of one hour, 21 minutes and 36 seconds.

Th third place was won by Mahmoud Qumq and co-driver Mounes Madani in a Ford Sierra Cosworth with a time of one hour, 23 minutes, 3 seconds.

Only 11 drivers out of 24 starters reached the finish line. The first car started at 4:15 p.m. Thursday and the winner crossed the finish line at 1:10 a.m. Friday.

An extra stage was added

by RACJ to the rally. The new 4.96-kilometre river stage near the King Talal Dam was added to the 341-kilometre rally to make it more challenging to competitors.

The only accident occurred when a Ford Fiesta XR2i driven by Firas Khazari and co-driver Firas Bani Hani overturned at the Kufri Khal stage, the last special stage of the first leg which forced them to quit the rally. In addition, other mechanical problems faced several drivers, according to Waleed Mehjar, car racing coordinator at RACJ.

In a telephone interview with the Jordan Times, Mehjar said that the rally was a success and everything went smoothly.

"Spectators were cooperative and we did not face any problem," he said.

On the RACJ schedule next will be the Al Mustakbal Club Charity Rally Tour which will be held April 8.

Following are the final standings of the Okifax National Rally:

1. Bashar Bustami and Malek

Hariri
2. Amjad Farah and Faisal Sadoon
3. Mahmoud Qumq and Mounes Madani
4. Ahmad Al Daoud and Mahmoud Metwalli
5. Issa Halabi and Lot Halabi
6. Ammar Hijazi and Salal Suheimat
7. Firas Bustami and Ehab Shourafa
8. Mohammad Juma and Emad Juma
9. Saleh Al Baba and Nabil Al Kurdi
10. Asem Aref and Ramzi Mansour
11. Jehad Haku and Amjad Ghazal.

NEWS IN BRIEF

Lazio deny Gascoigne is for sale

ROME (R) — Lazio Friday denied a British newspaper report that they want to sell their England midfielder Paul Gascoigne. "Lazio have no intention of selling Paul Gascoigne... I don't know where this story has come from but it is simply not true," club spokesman Mario Pennacchia said. The London daily the Sun reported that Gascoigne was now on the market for an asking price of \$5.7 million. It claimed Gascoigne's agent Len Lazarus was in Rome Wednesday and Thursday to negotiate the player's transfer. Pennacchia said: "Lazarus was in Rome for a routine visit which he brought forward because of the recent fuss about Gascoigne." Lazio President Sergio Cragnotti Sunday implied the Roman club might be losing patience with the player following a series of injury and disciplinary problems. Last week, Lazio fined Gascoigne some \$11,000 for a series of petty disciplinary infringements such as reporting back late for training and leaving training early without permission.

Horse runs 'blind' for a mile

DONCASTER, England (R) — A racehorse, blinded by a hood around its head, bolted and ran loose for a mile at Doncaster Thursday. Star Performer narrowly missed a tree and crashed through several plastic rails before tumbling to the ground and freeing the hood. "It was a sickening incident — it turned my stomach. The horse could easily have gone galloping over people and it is only luck that no-one was hurt," said jockey Willie Ryan after stall handlers had tried to load him before the start of a handicap race. The gelding badly cut his elbow.

Atlanta unveils model of Olympic cauldron

ATLANTA (AP) — Atlanta's Olympic organisers Thursday unveiled a model of the cauldron that will hold the Olympic flame during the 1996 summer games, along with the 35-metre foot tower that will support it. The project, designed by sculptor Shah Aramjani, also includes a 57-metre bridge connecting the tower with the Olympic stadium. During the opening ceremonies, the torch-bearing runner or runners will enter the stadium, cross the bridge and climb several flights of stairs to light the cauldron on top.

GOREN BRIDGE

WITH OMAR SHARIF
& TAMMAM HIRSCH
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WHY GUESS? TAKE THE SURE WAY

Neither vulnerable. North deals. their best spot.

NORTH
♠ A Q 3
♥ A 2
♦ K J 10 4
♣ 8 3 2

EAST
♠ 7 6 5
♥ Q 10 7
♦ 7
♣ A K Q 10 7 6

SOUTH
♠ K J 10 8 4
♥ K 3
♦ A 5 2
♣ J 5 4

The bidding:
North East South West
1 ♠ 2 ♠ Pass
3 ♠ Pass 4 ♠ Pass
Pass Pass

Opening lead: Nine of ♠

The two-way finesse is the bone of the average bridge player, who considers it a pure guess and more often than not goes wrong. The expert, however, reveals in the situation and will ferret out as many clues as possible to resolve the problem.

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Location: Warehouse near 7th Circle.
Items to be sold: Used residential and office furnishings and equipment.
Type of sale: Sealed-bid. Bid forms can be obtained on the day of sale.
Conditions of sale:
- 20 per cent cash deposit required on sale day.
- Sale items will be available for inspection on sale day.
- Bids must be submitted by 1:00 p.m. on sale day.
- Bids must be submitted at the warehouse.
- Bids will be opened and bidders notified beginning Wednesday, March 30, 1994.
- Items must be removed within 24 hours after notification. After that period, a JD 50 per day storage fee will be assessed.
- All items are sold on a "where-is, as-is, non-returnable" basis.

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Dr. Marwan Al Akaidi will be visiting Jordan. He will be available to answer your enquiries at the British Council from 4:30 p.m. to 6:30 p.m.

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INDECENT PROPOSAL		Fifi Abdo/Hisham A. in QADARA		CONCORD '1' DEMOLITION MAN		Opening Soon A political comedy Forbidden X Forbidden		Watch for the surprise — The next play....		Since the actors are abroad the theatre is closed	
Shows: 12:30, 3:30, 6:15, 8:30, 10:30		Arabic Shows: 12:30, 3:15, 5:00, 6:45, 8:30, 10:30		CONCORD '2' ACCIDENTAL HERO						It will re-open on April 6, 1994 for two weeks in the last performances of "Arab Summit Conference"	
				Shows: 12:30, 3:45, 6:00, 8:15, 10:15							

Nearly 2 million fighters on alert in Korean peninsula

SEOUL (R) — More than 1.7 million armed forces personnel were on alert on the Korean peninsula on Friday as international efforts continued to curb the communist North's nuclear ambitions.

"North Korea has recently put its troops on alert," South Korean Information Minister Oh In-Hwan said at the end of a special meeting of security-related cabinet ministers.

The isolated socialist state keeps 1,030,000 men and women under arms.

South Korea, living in the shadow of North Korea's massive military machine, put its 650,000-strong standing armed forces, aided by 36,000 American troops, on special alert on Wednesday after Pyongyang warned of war.

North Korea has threatened to withdraw from the nuclear non-proliferation treaty if the Security Council imposes sanctions for its refusal to submit to full international inspections of its nuclear facilities.

Pyongyang is adamant in its refusal to cooperate and said on Friday that economic sanctions could not force it to change its mind.

North Korea's official news agency said the country had the industrial capacity to supply its own development, defence and everyday needs.

"With the development of chemical industry, light industry, fisheries and agriculture the need for the people's living is being met with domestic products," the agency said.

"The Korean people have the mighty socialist independent national economy and

abundant resources enough to live on their own efforts under any situation," it said. "No political and ideological offensive, economic blockade and military threat of the imperialists and reactionaries can frighten the Korean people."

The United States and South Korea have reactivated plans for huge military manoeuvres that had been cancelled to lure the north into permitting inspections of its nuclear facilities.

Washington was also sending Patriot air defence missiles to South Korea as the U.N. Security Council worked on a resolution urging Pyongyang to let U.N. inspectors complete their checks.

Seoul and Washington decided on the moves after the International Atomic Energy Agency (IAEA) — the U.N. nuclear watchdog, which has vainly sought unimpeded access to North Korea's nuclear sites — referred the issue to the Security Council for possible punitive action.

The chief of the International Atomic Energy Agency (IAEA), Hans Blix, told a meeting of the U.N. Security Council that North Korea was certainly hiding more plutonium than it had declared. Plutonium is a vital ingredient of a nuclear bomb.

But Mr. Blix said he could not state whether a bomb was actually being produced, adding that there was no evidence North Korea had the technology to make warheads.

The IAEA alleged last week that an inspection team recently sent to North Korea had

been barred from taking samples at one key nuclear site, dashing prospects of giving Pyongyang a clean bill of nuclear health.

Council members were consulting privately on a draft resolution urging North Korea to permit unrestricted inspection. A vote is expected next week.

There was no move to impose economic sanctions immediately. The resolution says only that the council would consider further unspecified action, if necessary.

Seoul on Friday reacted coolly to a Russian proposal to hold an international conference on the nuclear issue, saying the United Nations was the most appropriate forum to resolve the matter.

South Korean President Kim Young-Sam was scheduled to travel from Japan to China on Saturday seeking support for a diplomatic solution.

China, still a powerful ally of North Korea, has said it does not feel the Security Council is the appropriate place to handle the issue and that international efforts to mediate the dispute should continue.

It has not said whether or not it would use its security council veto to block moves against North Korea.

North Korea got support from an unlikely source when Philippine President Fidel Ramos said it would be premature to impose sanctions against North Korea.

Mr. Ramos fought with U.N. forces as a Philippine army lieutenant in the 1950-53 Korean war.



American soldiers board a helicopter at Mogadishu airport on Friday, completing the withdrawal of all U.S. forces from Somalia (AFP photo)

Last American soldiers scramble out of Somalia

MOGADISHU (Agencies) — The last U.S. troops disappeared in a cloud of dust Friday as they quit Somalia without fanfare after a heavily-criticised 15-month intervention.

Marines and soldiers left quietly from the same beach where they landed on Dec. 9, 1992 in the glare of television lights to end a famine that killed at least 300,000 people.

U.S. commander Major-General Thomas Montgomery called the mission "a great success," despite the killings of nearly 100 peacekeepers, including 30 Americans, and controversy over heavy-handed tactics that cost the lives of hundreds of Somalis.

Gen. Montgomery insisted that with the withdrawal, dubbed "Operation Quickdraw," was not a retreat.

President Bill Clinton ordered the troops home after warlord Mohammed Farah Aided's gunmen killed 18 Americans in a maze of sandy Mogadishu alleys on Oct. 3.

"We are very proud of what we have done here," said Gen. Montgomery, who flew back to Mogadishu airport by helicopter from a U.S. warship to address reports. "We know that we are the best of the best."

The last Marines rumbled across Mogadishu airport in amphibious assault vehicles crossed the beach and vanished into the azure waters of the Indian ocean in a plume of spray and sand.

In an unusual step, the chief federal prosecutor took over the case. Authorities offered a \$50,000 reward for information leading to arrests, state prosecutor Herbert Ostendorf said.

"This is not only attempted murder, it's a symbolic attack on the Jewish people, an effort to continue the Nazi annihilation," Mr. Ostendorf said.

Right-wing militants were the main suspects, and were being questioned, Mr. Ostendorf said, but extremist Arab groups could not be ruled out.

Police found an unused Molotov cocktail at the scene of the fire, said investigator Guenter Moeller.

Luebeck is only 20 kilometres north of Meoln, where a November 1992 fire-bombing killed three Turks. Two neo-Nazis were sentenced to long prison terms.

Officials at the central council of Jews in Germany said they could not find any record of an arson attack against a synagogue in Germany since the 1938 "Kristallnacht" that presaged World War II.

Nazi supporters looted more than 7,000 Jewish shops and burnt down hundreds of synagogues on the night of Nov. 9, 1938, which became known as "Kristallnacht" (crystal night) because of the smashed glass that littered the streets.

About 200 students with banners condemning the attack marched at midday to the synagogue, a four-storey brick building with a large star of David on its facade.

"The German government is shocked by this attack and sharply condemns it," said government spokesman Dieter Vogel, who told journalists that Chancellor Helmut Kohl, now on Easter vacation in Austria, had been informed.

Local Christian churches also expressed their shock and disgust at the attack and added in a joint statement: "This crime was aimed at a community that was trying to rebuild itself after the destruction of the Nazi era."

"We Christians cannot stay quiet like in 1938. When synagogues burn, churches will burn too."

The synagogue, which has not been used for services since 1938, was preparing to hold on Saturday evening its first Passover since the "Kristallnacht".

Grey warships shimmered in the haze as they waited offshore to take the troops on the first leg of the long journey home.

As Howitzers and armoured vehicles rolled aboard hovercraft on the beach, 15 helicopters that once patrolled the sky and pounded positions of General Aided took off in formation in a gigantic dust-cloud.

Exit day, or E-Day, got under way when a lumbering C5 Galaxy transport plane roared into the sky.

Three hours later, the last amphibious vehicle left Somali soil, watched by about 100 sweaty reporters coated with sunscreen.

Hordes of watching Somalis swarmed over piles of rubbish strewn over the city's sandy beaches.

Pakistani troops, part of a 20,000-strong U.N. army left to deal with the turmoil of a country ruled by gunmen, looked on but did not intervene.

At the main entrance to the airport first fights broke out as Egyptian peacekeepers tried to keep crowds of excited onlookers rushing into the compound.

Harrier jets screamed across the broken city.

"Just in case anyone has any ideas, we want to remind them we still have a potent force out there," U.S. military spokesman Colonel Steve Kauch said.

The Americans leave behind a blighted country with no government, bedevilled by

banditry and ravaged by cholera.

Gen. Montgomery, 52, pointed to the signing of a peace pact in the Kenyan capital Nairobi on Thursday between rival Gen. Aided and his rival Ali Mahdi Mohammed.

U.S. Special Ambassador to Somalia Robert Oakley, sent by Mr. Clinton to try and broker a deal with Gen. Aided, admitted on Friday the mission had lost its direction.

"There was a period when I think the United States and the United Nations were both off course. Sometimes you do make mistakes. You have to learn from them and move ahead," he said in an interview with the British Broadcasting Corporation.

Independent analysts fear Somalia may slide back into civil war without the support of American and other Western contingents who have already left.

The remaining U.N. force, made up of African and Asian contingents, is less well-equipped. Its mandate is limited to protecting food convoys and guarding key installations, like the port and airport.

Gen. Aided and Mr. Ali Mahdi, whose power struggle destroyed Mogadishu after the January 1991 overthrow of dictator Mohammed Siad Barre, have agreed to hold more talks and a reconciliation conference in the capital on May 15.

Several previous accords quickly disintegrated.

Saguy: Syria is ready for full peace

TEL AVIV (AP) — Syria is ready for full peace with Israel, the Israeli chief of military intelligence said in an interview published Friday, but President Hafez Al Assad first needs to hear Israel is ready for a full withdrawal from the Golan Heights.

Major General Uri Saguy also told the Yediot Ahronot daily that Yasser Arafat's dream of statehood would "shatter" when he arrived in Jericho, but he added that he believed that the Palestinian leader was in control.

"There is in Syria, now more than ever, an understanding that in return for full sovereignty over the Golan Heights, it will be asked for — and, I think, it will agree — peace with all its characteristics, including diplomatic relations," Gen. Saguy told Yediot.

Talks between Israel and the Syrians focus on the future of the strategic plateau, which Israel seized in the 1967 Mideast war.

Prime Minister Yitzhak Rabin said that he will not say how far Israel will withdraw until he hears Mr. Assad define the peace, which Israel sees as including full diplomatic relations and open borders.

Mr. Rabin describes Mr. Assad's reluctance to do so as "disappointing."

But Gen. Saguy, who said that Mr. Assad was aware of Israeli requirements, said: "From his point of view, (Assad) has to believe he will receive the entire Golan Heights" before he defines the peace.

Gen. Saguy said that the Syrian army was "formidable" and getting stronger, and that Syria still considered Israel its primary enemy.

Mr. Arafat's dream of "being president of some state" would shatter once the implementation of the accord to introduce autonomy in the Gaza Strip and the West Bank towns of Jericho became a reality, Gen. Saguy said.

"Arafat was never exceptional at day-to-day management," he said. "At this stage, he won't want to be mayor of Jericho."

Gen. Saguy said Mr. Arafat's position among Palestinians had weakened since the (Hebron) massacre.

Column

Diana goes on skiing holiday

LECH, Austria (AP) — After a three-month self-imposed exile, Princess Diana braved the cameras Thursday, her first day of a week-long skiing holiday. She seemed at ease with the close attention of the media. More than 40 photographers from across Europe waited to snap her when she emerged with Princes William, 11, and Harry, 9, from their five-star hotel in Lech. Princess Diana has carried out only one public engagement this year, and her official diary is empty following her announcement in December that she is largely withdrawing from public life. Wearing a turquoise one-piece ski suit — the same as she wore last year — the princess stepped into her ski and took a chairlift up the mountains with her friends Kate Menzies, 32, and Catherine Soames, 36. Prince William, in a blue ski suit and woolly hat, and Prince Harry, wearing a purple suit and bandana, took the chairlift ahead with their friend Harry Soames, Catherine's 10-year-old son, and their skiing instructor.

Elizabeth Taylor undergoes hip surgery

LOS ANGELES (R) — Actress Elizabeth Taylor underwent hip replacement surgery as planned and the operation went smoothly, her doctor said. "There were no surgical complications," Doctor John Moreland said in a statement issued the day after surgery. The 62-year-old Oscar-winning actress underwent the operation after specialists diagnosed her with osteoarthritis of the left hip, a condition in which vital cartilage has worn out. Ms. Taylor's bad hip was aggravated when she slipped in the snow during a Swiss holiday earlier this year, and her condition worsened steadily until she could no longer walk without pain. Her publicist announced in mid-January that she would need hip replacement surgery to correct the problem. Dr. Moreland said Ms. Taylor would likely remain in the hospital for a week. During the first eight weeks of recuperation, she is expected to use crutches or a walker. Full recovery normally takes three to six months. Dr. Moreland said Ms. Taylor, best known for her roles in such films as Cleopatra, Who's Afraid of Virginia Woolf? and Cat on a Hot Tin Roof, has a history of health problems. She spent over two months in hospital in the spring of 1990 for treatment of viral pneumonia and at one point was reported to be near death. In 1983, Ms. Taylor entered the Betty Ford Clinic in southern California to overcome what she described as a dependency on alcohol and prescription drugs. There she met her current husband Larry Fortensky.

Murder-case grandmother jailed for 15 years

PARIS (R) — A French court sentenced a 69-year-old grandmother to 15 years jail for hiring a gunman to kill her son-in-law, closing a sensational trial spiced with glamour, money and mystery. Marie-Elizabeth Cons-Boutboul was charged with being an accomplice in the 1985 murder of her husband's former lover, jockey daughter Darie Boutboul. Applause broke out in the court when the guilty verdict was read but the presiding judge immediately called for order. Mrs. Cons-Boutboul showed no emotion at the sentence but her lawyer, Bernard Prevost, wept. Mr. Prevost had earlier told the court the 21-day trial had not proved she had a motive to kill Mr. Perrot nor had it found any evidence linking her to the killing or even established with certainty who killed him. Prosecutor Jacques Mouton had asked for a 16 to 18 year term. He said Mrs. Cons-Boutboul silenced Mr. Perrot because he had discovered she had stashed away in Switzerland a fortune swindled from French missionaries and others, and she feared her extravagant lifestyle would be ruined if he spoke up. Mrs. Cons-Boutboul, who has spent three years in prison awaiting trial, had denied any role in the killing.

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issue of Jerusalem.

Following is the official transcript of the reporter's question and the president's answer dealing with Jerusalem: Question: Mr. President, what did you tell the American Jewish leaders today about a status of a united Jerusalem?

Mr. Clinton: I told them that the position — I told them what I've always told you in public. I'll tell you the exact words I used: I said, my position has not changed on that

several years ago that if the issue of Jerusalem was to be raised at the U.N., it would adopt the same position as it did during the March 18 voting — a veto if the resolution contained a reference to Jerusalem in its operative paragraphs or abstention if the reference was in the preamble.

In comments to the Qatari press before he left Doha earlier Thursday, the King said his visit to Qatar was aimed at achieving Arab solidarity.

He said Sheikh Khalifa shared his desire for an Arab summit. "We always hoped for such a summit, where all Arab leaders could have a frank exchange of views on their preoccupations."

Leaders of the 22-member Arab League last met in Cairo shortly after the August 1990 Iraqi invasion of Kuwait. But, instead of adopting a collective stand towards the crisis they split into two camps; one that supported a military solution and the other which advocated dialogue and diplomacy towards a solution within the Arab context.

Efforts to convene an Arab summit since then have failed, and the polarisation has spread to bilateral relations.

Qatar has increasingly been increasing adopting independent decisions, away from the influence of other Gulf states regardless of their alliance in a

six-country cooperation council.

Jordan's effort to reconcile with other members of the Gulf Cooperation Council (GCC) — Saudi Arabia, Bahrain, the United Arab Emirates (UAE) and Kuwait — have not borne fruit.

However, the UAE has been sending positive signals in response to Jordanian efforts.

The King visited Saudi Arabia in early March to perform a pilgrimage to Mecca, but no senior Saudi officials, including King Fahd, met him.

The King said Thursday his talks with Sheikh Khalifa dealt with the Middle East peace process, the suffering of the Palestinians living under Israeli occupation and efforts to address their plight, particularly after the Hebron massacre. Jordan's efforts to preserve and protect Islamic holy shrines in Jerusalem and its own endeavours to restore the Dome of the Rock Mosque in the Holy City.

The King said Sheikh Khalifa and Crown Prince Sheikh Hamad Ben Khalifa Al Thani had accepted invitations to visit Jordan and that the Qatari leaders would be making the visit at their earliest possible convenience.

During his visit to Qatar, the King also met with representatives of the Jordanian community living there.

PLO wants large observer unit in Hebron

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Palestinians to drop other demands concerning the settlers and the settlements.

Critics of Mr. Arafat argue that he has not held out long enough to make Israel budge, and that if he does not take a firm stand, lifting the curfew on Hebron will be used by Israel to extract Palestinian concessions.

Furthermore, the 20-hour siege of Hebron last week, when the Israeli army blasted a hideout for Hamas members and destroyed or damaged neighbouring houses in the process, has presented the PLO with a challenge of how secure protection of Palestinians against Israel

army clampdowns.

A United Nations Security Council resolution passed two weeks ago, reaffirmed the applicability of the Fourth Geneva Convention, that practically bans an occupying power from conducting such clampdowns on people under occupation, on the West Bank and Gaza Strip, including East Jerusalem.

It was unclear so far, based on contacts with PLO officials in Tunis, whether the tentatively agreed upon deployment of foreign observers will be authorised to prevent Israeli violations of the Geneva convention.

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NEWS IN BRIEF

Lebanon: Christopher might tour Mideast

BEIRUT (R) — Lebanese Foreign Minister Faris Bouez said after talks with a U.S. envoy in Beirut on Friday that U.S. Secretary of State Warren Christopher might tour the Middle East before the next round of Arab-Israeli peace talks. U.S. Assistant Secretary for Near Eastern Affairs Robert Bellare made a previously unannounced visit to Beirut where he said he held "useful and productive" talks with Mr. Bouez on regional issues and bilateral relations. Mr. Bellare said he agreed with Mr. Bouez on "the importance of achieving progress in 1994" in the Middle East peace talks. Mr. Bouez said the United States wanted to give a new push to the peace process, saying this may require additional diplomacy by Mr. Christopher.

Wijetunga suffers major debacle

COLOMBO (AFP) — Sri Lanka President Dingiri Banda Wijetunga suffered a humiliating defeat on Friday as the opposition won a key local poll seen by analysts here as setting the trend for future elections. The opposition People's Alliance (PA), led by former Premier Sirimavo Bandaranaike, polled 550,512 votes to stage a dramatic comeback at Thursday's election to win 32 seats in the 55-member southern provincial council. Mr. Wijetunga's United National Party (UNP) fared poorly to take the balance of 23 seats after polling 443,423 votes in the ballot conducted under a proportional representation system.

'House-of-horrors' wife demands damages

GLOUCESTER, England (AFP) — The wife of a man charged with murdering nine women said Friday she would seek compensation from police who demolished her house searching for bodies. "She has lost her house and will be looking for compensation," said Leo Goatley, lawyer for Rosemary West. Her husband, Frederick West, a 52-year-old builder, is charged with nine counts of murder after the remains of women and young girls were recovered from their house and garden at its now infamous address, 25 Cromwell Street. Ms. West was arrested along with her husband a month ago, but released soon afterward without charge. Police digging in the garden, basement, floors and walls of the three-storey house has weakened the structure and required the pouring of tonnes of concrete to shore up the structure against collapse. Mr. Goatley said that, irrespective of any compensation she might receive, Ms. West was unlikely ever to move back to the house, dubbed the "house of horrors" since the recovery of human remains turned it and the neighbourhood into a media circus.

Neil Kinnock convicted of speeding

SAFFRON WALDEN, Britain (AFP) — Former Labour Party leader Neil Kinnock had his driving licence withdrawn for a week Friday after being found guilty of speeding. Mr. Kinnock, 51, who resigned the Labour leadership when his party was defeated in the spring 1992 general elections, was logged travelling at 160 kilometres an hour in a 100-kilometres-an-hour zone, a court in this southern town heard. The court also fined Mr. Kinnock £140 pounds (\$210) and £25 (\$37) in costs. It was his second speeding offence in the last three months.

Israeli deputy minister to visit India

NEW DELHI (AFP) — Israeli Deputy Foreign Minister Yossi Beilin is due to arrive here on April 1 on a four-day visit for talks with Indian leaders, the Israeli embassy said here Friday. Mr. Beilin's scheduled trip next month follows a groundbreaking visit to India last summer by Israeli Foreign Minister Shimon Peres. The deputy foreign minister's visit will be the second by a top Israeli official since diplomatic links between New Delhi and Tel Aviv were reestablished in January 1992 after a 40-year hiatus.

Illegal drug crops destroyed in Egypt

WADI FIRAN, Egypt (AP) — Police and soldiers destroyed about 1,000 acres of hashish and opium plants near Mount St. Catherine in Sinai, the largest anti-narcotics operation in Egypt's modern history. About 2,000 police and border guards, the country's largest force ever mobilised to eliminate contraband drugs, dumped chemicals on 18 plots where the crops were growing in mountainous terrain at Wadi Firan. The town, whose name translates into valley of the mice, is about 35 kilometres from the Greek Orthodox monastery at St. Catherine. The interior ministry, in charge of police, was in charge of the operation, which also involved the defence, oil and agriculture ministries. The oil ministry provided three helicopters, agriculture the chemicals.

German synagogue firebombed

LUEBECK, Germany (Agencies) — Suspected rightwingers firebombed a synagogue early Friday, shocking the Jewish community and prompting a quick government reaction.

The attack in the northern port city caused no injuries but charred two front rooms laid out for what was to have been the first Passover seder at the Luebeck synagogue since the war.

In an unusual step, the chief federal prosecutor took over the case. Authorities offered a \$50,000 reward for information leading to arrests, state prosecutor Herbert Ostendorf said.

"This is not only attempted murder, it's a symbolic attack on the Jewish people, an effort to continue the Nazi annihilation," Mr. Ostendorf said.

Right-wing militants were the main suspects, and were being questioned, Mr. Ostendorf said, but extremist Arab groups could not be ruled out.

Police found an unused Molotov cocktail at the scene of the fire, said investigator Guenter Moeller.

Luebeck is only 20 kilometres north of Meoln, where a November 1992 fire-bombing killed three Turks. Two neo-Nazis were sentenced to long prison terms.

Officials at the central council of Jews in Germany said they could not find any record of an arson attack against a synagogue in Germany since the 1938 "Kristallnacht" that presaged World War II.

Nazi supporters looted more than 7,000 Jewish shops and burnt down hundreds of synagogues on the night of Nov. 9, 1938, which became known as "Kristallnacht" (crystal night) because of the smashed glass that littered the streets.

About 200 students with banners condemning the attack marched at midday to the synagogue, a four-storey brick building with a large star of David on its facade.

"The German government is shocked by this attack and sharply condemns it," said government spokesman Dieter Vogel, who told journalists that Chancellor Helmut Kohl, now on Easter vacation in Austria, had been informed.

Local Christian churches also expressed their shock and disgust at the attack and added in a joint statement: "This crime was aimed at a community that was trying to rebuild itself after the destruction of the Nazi era."

"We Christians cannot stay quiet like in 1938. When synagogues burn, churches will burn too."

The synagogue, which has not been used for services since 1938, was preparing to hold on Saturday evening its first Passover since the "Kristallnacht".

King 'satisfied' with Oman, Qatar visits

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Officials said Minister of State for Foreign Affairs Talal Al Hassan, who accompanied the King on the visits, was scheduled to brief the Cabinet during its regular session on Saturday.

King Hussein, in comments carried by the Jordan News Agency, Petra, after his return, said his Gulf visits served as a good opportunity for an exchange of views on various international and regional issues and the latest developments in the Arab-Israeli peace process.

The King described Jordan's relations with Oman and Qatar as excellent and based on solid foundations.

The King said the Arab Nation was facing "decisive challenges that demand that Arab leaders launch collective action to confront the challenges and serve Arab interests." He said both Sultan Qaboos and Sheikh Khalifa were working to serve such interests.

The King said the political crisis in Yemen, where Jordan and Oman are involved in efforts to end the rift between southern and northern leaders, was a topic for discussions with Sultan Qaboos.

"What Jordan is trying to achieve in Yemen is part of Jordan's duty towards Yemen," he said.

He said the U.S. had hinted

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the principle of foreign observers but he wanted to make sure that it will be a prelude to international protection for Palestinians across the occupied West Bank and Gaza Strip.

The officials said that Israel had stipulated that light arms will be confined to pistols only — something that seems to satisfy the PLO leadership's demands at this point.

But what PLO leaders seem to fear the most is for Israel to use the siege on Hebron as bargaining chip to pressure Hebronites and the

settlers and the settlements.

Critics of Mr. Arafat argue that he has not held out long enough to make Israel budge, and that if he does not take a firm stand, lifting the curfew on Hebron will be used by Israel to extract Palestinian concessions.

Furthermore, the 20-hour siege of Hebron last week, when the Israeli army blasted a hideout for Hamas members and destroyed or damaged neighbouring houses in the process, has presented the PLO with a challenge of how secure protection of Palestinians against Israel

army clampdowns.

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